

A New Horizon

25th Annual Report 2009-10

Asahi India Glass Ltd.

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25th Annual Report
2009-10



Asahi India Glass Ltd.



www.asahiindia.com
www.aisglass.com

Forward-Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable stakeholders to comprehend the prospects of the Company and take informed decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements which may set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe" and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Asahi India Glass Ltd.



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Asahi India Glass Limited is the largest integrated glass company in India. A pioneer in India's automotive glass industry, its product portfolio spans the entire glass value chain. Indeed, with several distinct advantages and features, AIS is perceived not just as a supplier of glass products but as an integrated glass solutions provider. This is aptly reflected in its umbrella brand, AIS - Asahi India Solutions - which epitomise the integrated solutions in glass.

AIS produces a wide range of automotive glass, float glass, architectural processed glass and other glass products. Over the years, AIS has transformed itself as a 'single source for all glass solutions' catering to a wide spectrum of customers. From leading Indian and global auto manufacturers wanting specialised engineered glass solutions to an individual who wishes a table top or windows - AIS delights its customer with product offerings, service quality and customised solutions that add value to the customer's 'glass experience'

With an enviable track record of delivering value addition to glass and glass products over the past 23 years, AIS constantly defines and implements innovative glass usage. AIS is not merely a provider of sophisticated glass products - it acts as a partner with its customer to provide unique solutions, creating the most appropriate, value added use of glass.





Vision

AIS's Vision is to "SEE MORE"

This byline captures AIS's culture :

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

To transcend the ordinary.

Mission

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

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

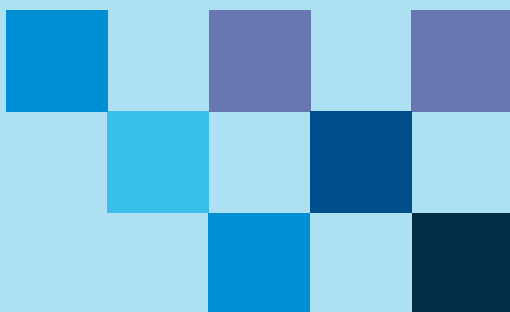
Guiding Principles

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

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



“ AIS also sees growth opportunities in this “New Horizon” - not just in the automotive sector, but across the entire glass-value chain. ”



Chairman's Letter

Dear Stakeholders,

In the first quarter of 2009, the global economy was in the middle of deepest slump since the end of the 'Great Depression' and there were fears that the slowdown would continue for more than a year. It did not happen that way. Thanks to governments across the world, pumping in trillions of dollars to create liquidity and stimulate demand, global growth in 2009 has been an impressive four and a quarter percent.

The US economy has reported three straight quarters of GDP growth and looks like it is out of the recessionary phase. China grew by 8.7% in 2009 and is back to double digit growth figures during the last two quarters, with a forecast that 2010 will see Chinese GDP grow anywhere between 9.5% and 10.5%. And India, after a 6.7% GDP growth in 2008-09, experts forecast that for the current year, India will grow at 8.5%.

Growth, however, has not been even - there are problems areas, especially in Europe. Greece's economic woes have grabbed headlines during recent times; however, even Spain and Portugal give rise to concern. The euro zone as a whole can, at best, hope for 1% growth in 2010. Asia, led by China and India, looks to be the global growth drivers of the near future.

The India growth story is especially encouraging for your Company, because a substantial part of it is being driven by excellent manufacturing growth. From a low of 2.8% in 2008-09, manufacturing growth has spurred to reach 10.9% at the end of 2009-10. This is now evident in the automotive segment as well. According to the recent published reports, Indian automotive sales for May 2010 grew 33% over the same month last year. The performance of the automotive segment has greatly helped your Company.

Your Company's financial performance during 2009-10 reflects this optimism. Consolidated gross sales grew at 6.4% to reach Rs. 147,303 lakhs; net sales for the same period grew 4.4% to touch Rs. 129,323 lakhs. Operating earnings before interest, depreciation and taxes (operating EBIDTA) increased 76%: from Rs. 14,583 lakhs in 2008-09 to Rs. 25,674 lakhs in 2009-10. Part of this was due to an increase in other operating income (from Rs. 810 lakhs last year to Rs. 2,550 lakhs in the year under review); however, even if we were to exclude the impact of this, operating EBIDTA growth has been an extremely impressive 63.5% year-on-year. And, profit after tax (PAT) has moved back into the black, with a profit of Rs. 138 lakhs in 2009-10, compared to a loss of Rs. 4,315 lakhs during the previous year.

While the finer details of your Company's performance in 2009-10 is covered in the Management Discussion & Analysis, I would like to highlight that during my last communication to you, I had written about AIS's 'Look Within' initiatives to maximise operational efficiencies. These have evidently worked and are reflected in a 63.5% increase in operating earnings. Let me give you one example: that of reducing fuel costs. Power and fuel is a major input in the manufacture of float glass and one where price volatility can significantly impact profitability. AIS's Talaja plant examined ways and means of substituting furnace oil with natural gas as a fuel source; the initiative has paid off. Talaja has now stabilised its manufacturing process using natural gas for fuel – and AIS has reduced power and fuel costs by 7.6% during the year. I assure that throughout the year and across all plants, we have been continuously looking at ways and means to be a better quality producer at a lower cost – and these initiatives will continue.

Increasing profitability through cost reduction and efficiency improvement measures is one side of the triangle. Acquiring new customers in the face of increasing competition is the second; and creating continuous customer satisfaction is the third. I am delighted to inform you that during the year, AIS has become the 'supplier of choice' to Volkswagen in India. Given the extremely rigorous quality standards and delivery commitments that Volkswagen expects its prime suppliers to maintain, the fact that AIS has been chosen as the only Indian supplier of all automotive glass requirement of Volkswagen, reiterates AIS' delivery capabilities, knowledge of engineered products and commitment to excellence.

AIS continues to build upon and deepen its existing relationships with global and Indian automotive majors. During the year, AIS Auto Glass has won several awards from its customers as recognition for its efforts in ensuring quality deliveries on time. Maruti Suzuki India Ltd. has presented AIS with three awards: for Manufacturing Excellence and Supplier Performance. Mahindra & Mahindra recognised AIS's quality and delivery initiatives through first prizes for lowest PPM (parts per million) defects and for delivery & logistics efficiencies. Tata Motors awarded AIS for cost efficiencies; and Toyota Kirloskar Motors recognised AIS for its quality and delivery capabilities. These awards are deeply satisfying, for they reaffirm AIS's commitment to building enduring customer relationships.

AIS's Float Glass SBU has also been exploring new opportunities for growth, expansion and value addition. Over a period of time, the SBU is transitioning from being a mere supplier of a 'near commodity' product to a holistic value-added solutions provider. With construction, hospitality, healthcare and retail sectors of the economy starting to look up again, the growth and value potential is high.

Among all this, AIS continued its commitment as a responsible Corporate Citizen. The 'Corporate Social Responsibility' (CSR) program of AIS was executed as planned and budgeted. Education, water & sanitation, rainwater harvesting and micro enterprise development continued to be the focus areas of our CSR Program, benefiting thousands of children and adults in and around the vicinities of AIS plants.

During 2009-10, Mr. K. Kojima, a nominee Director of Asahi Glass Co Ltd., Japan (AGC) completed his tenure as Director of AIS and accordingly returned to AGC. Mr. M. Kamiya, another AGC nominated Director also resigned as Director of AIS in January, 2010 and moved to take up other responsibilities in AGC. I sincerely thank Mr. Kojima and Mr. Kamiya for their valued contribution to AIS as Directors. I also warmly welcome Mr. H. Nohara and Mr. M. Ishiko on the Board of AIS.

2010-11 seems to be a year for cautious optimism. India's economy seems to be back on the growth path, even though it is yet to return to the height of 9% plus growth. The manufacturing, capital goods and consumer durables sectors have all grown over the last year; economic indicators point to that growth being sustained over the current year. AIS also sees growth opportunities in this "New Horizon" - not just in the automotive sector, but across the entire glass value chain.

Before I conclude, I would like to take this opportunity to thank all our stakeholders – shareholders, customers, business partners and bankers – for being with us through the turbulences of the recent years. I also thank AGC for its continued support to AIS. My unreserved thanks to the management team and all employees of AIS for having put in tremendous efforts and sacrifices in making AIS an admired Company.

Yours sincerely,



B.M. Labroo
Chairman



About AIS

AIS is jointly promoted by Labroo family, Asahi Glass Co. Ltd. (AGC) and Maruti Suzuki India Ltd. (MSIL). Incorporated in 1984, the Company has grown from being a 'single-plant single-customer' company to a world-class integrated glass company with 11 plants and global customers spanning across India. AIS is a public limited Company listed on the National Stock Exchange and Bombay Stock Exchange with around 60,000 shareholders.

AIS has three Strategic Business Units (SBUs):

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

In addition, the corporate functions of AIS manage, support and coordinate the activities of all three SBUs.

AIS produces an entire spectrum of exceptional quality glass products and has a long and successful presence in the Indian market, manufacturing scale, engineering capabilities and most importantly, the trust of its customers for whom AIS is a vendor of choice. AIS has the unique capability to service the complex requirements of its customers through products, quality, innovation, scale and costs.

India's growth, even during the recent economic crisis, gives rise to optimism. AIS has reasons to believe that it is now in a unique position to capitalise on the major expansion that it has undertaken in recent past and be a significant participant in India's growth story over the next few years.



AIS Auto Glass

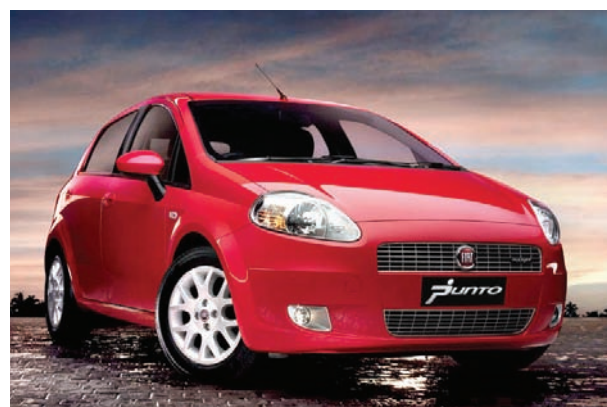
AIS Auto Glass is the largest supplier of high quality automotive glass to almost the entire passenger car industry in India. It has the unique distinction of being the only glass player in the country being conferred the prestigious Deming Application Prize in 2007. The Deming Prize certifies the outstanding performance improvements achieved by AIS through application of Total Quality Management (TQM).

AIS Auto Glass is one of the pioneers in the automotive glass business in India and has continued to maintain leadership position for almost 20 years in a row. This is a result of years of high-quality efforts and investments put in at every level in AIS Auto Glass to ensure that it meets the highest standards of quality, delivery and customer satisfaction.

In 1987, AIS Auto Glass started operations with manufacturing toughened glass for automobiles. Today, it has four plants located at Bawal - Haryana, Roorkee - Uttarakhand (North), Chennai - Tamil Nadu (South) and Talaja - Maharashtra (West) and three sub-assembly units /warehouses at Halol - Gujarat, Pune - Maharashtra (West) and Bangalore - Karnataka (South). The plants and sub - assemblies are strategically located in proximity of India's automotive manufacturing hubs and produce a complete range of automotive safety glass, engineered to the highest global quality standards.

The product portfolio of AIS Auto Glass includes the following :

- 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 (Rain sensor, Moulding, Holders, Channels, Toggle clamp and Hinge assembly etc).

AIS Auto Glass commands almost 77% market share in the Original Equipment (OE) segment and an impressive share of after-market sales of automotive glass products in India. The SBU counts among its customers major automobile companies in India like, Maruti Suzuki India Ltd., Hyundai Motors India Ltd., Tata Motors Ltd., Toyota Kirloskar Motors Ltd., Mahindra & Mahindra Ltd., Honda Sael Cars Ltd., and many others.

Over the recent years, AIS Auto Glass has successfully diversified into products for the commercial vehicle segment, for which it has developed capabilities and made investments. As a result of its experience, engineering capabilities and passion for enlarging customer delight, AIS Auto Glass continues to deliver high quality products to its customers in the commercial vehicles segment and has earned their full-hearted support and trust.

AIS Auto Glass endeavours to remain the 'supplier of choice' for automotive glass requirements of nearly the entire passenger car manufacturers in India.

AIS Float Glass

AIS began its float glass operations by taking over the erstwhile Floatglass India Ltd., with its manufacturing facility at Taloja (Maharashtra) in 2001. In 2003, Floatglass India Ltd., was merged with AIS.

AIS Float Glass produces a wide range of value-added varieties of glass such as heat reflective glass, heat absorbing glass, solar control glass, coloured glass and mirrors.

AIS Float Glass commands nearly 29% share in the Indian float glass market; it also exports its products to various countries in Asia, Europe and Latin America. The SBU is also the commercial agent of a range of glass products of AGC in India.

AIS Float Glass has the following product portfolio -

- AIS Clear™ "Clear Float Glass"

- AIS Tinted™ "Less Heat More Privacy"
Heat Absorbing Glass - Available in : Bronze, Grey, Green, Blue, Royal Blue, Cool Green.
- AIS Supersilver™ "Beautiful Exteriors, Cool Interiors"
Heat Reflective Glass- Available in : Clear, Green, Blue, Bronze, Dark Grey, Fern Green, Pacific Blue.
- AIS Opal™ "Incredible Performance, Affordable Prices"
Solar Control Glass - Available in : Royal Blue, Cool Green, White Gold, Golden Bronze.
- AIS Mirror™ "New Generation Belgium Mirrors"
- AIS Décor™ "Vibrant Colours for Interiors"
Lacquered Glass - Available in : Venetian Red, Bright Orange, Lemon Yellow, Spring Green, Midnight Blue, Black Pearl, Marble White, Classic Beige, Sterling Silver and Icy Blue.
- AIS Krystal™ "Only Branded Frosted Glass"
Frosted Glass - Available in : Clear & patterned clear, Green Blue.

All the above mentioned AIS products are available in a variety of thicknesses and sizes.

All the above products are distributed across India through a network of over 800 stockists.



AIS Glass Solutions

AIS Glass Solutions was set up in 2004 as a subsidiary of AIS, with the objective of growing AIS's presence in architectural glass solutions and value-added glass products and services. Over the last 6 years, AIS Glass Solutions has emerged as India's biggest & organised player in the architectural glass processing segment—manufacturing branded, value-added glass products and offering end users a complete solution for their glass needs. AIS Glass Solutions supplies the following products:

- AIS Stronglas™ - impact resistant glass
- AIS Securityglas™ - burglar resistant glass
- AIS Acousticglas™ - sound resistant glass
- Solar low-e glass
- AIS Ceramic Printed Glass
- High value special glass products like AIS Shower Enclosure, AIS Tabletops, AIS Shelves etc.

AIS Glass Solutions has 3 state-of-the-art glass processing facilities located at Roorkee - Uttarakhand (North India), Talaja - Maharashtra (West India) and Chennai-Tamil Nadu (South India).

The unit's distribution chain spread and initiatives ensure that the right glass and its most appropriate application are made available to the customer in the shortest possible time. To that effect, the sales people of AIS Glass Solutions are not only sellers of product; they also educate, suggest and partner with the customer for maximum value addition.

Some of the unique features that AIS Glass Solutions provide :

- One stop solution- Only player in India with pan India presence and in-house manufacturing capabilities of clear, tinted, reflective & further processing of these glasses.



- Truly International Quality Glass Processor :-
 - Insulating Glass manufacturing as Standard DIN-EN 1279, ISO 868, ASTM C661, DIN 5350;
 - Tempered Glass manufacturing as per:- ASTM C 1048-04, DIN EN 12150-1, IS 2553, ASTM C 1036;
 - Tempered bend glass as per C 1464-00 Standard;
 - Heat strengthened glass as per ASTM C 1048-04, EN 1863-1:2000;
 - Heat soak Standard BS/EN 14179-1:2005- IS 2553 part 1:1990;
 - Laminated glass ISO 12543, ASTM C 1172, ISO 12543, ANSI Z - 97.1 (2004);
 - Anti Burglary glass as per EN 356:1999.
- Only glass processor in India to build an IT Platform for -
 - Online Order Tracking System;
 - Software on Wind Load Calculation;
 - Software on Thermal Breakage Calculation;
 - Software on Energy Calculations,
 - Real time SMS on order release & invoicing.
- Most experience in processing "Green Buildings" in India, AIS Glass Solutions has among others, advised, supplied and setup glass solutions for the following 'Green Buildings' in India :-
 - Green Boulevard, Noida qualifying among "world top 10 best energy efficient building".
 - ITC Royal Gardenia, Bangalore - The World's largest & Asia's first LEED platinum rated hotel.
 - Fast Track SEZ Noida which qualifies for LEED Platinum Rating
 - Oxyzen SEZ Noida which qualifies for LEED Platinum Rating.

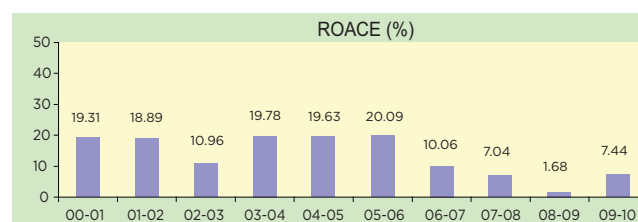
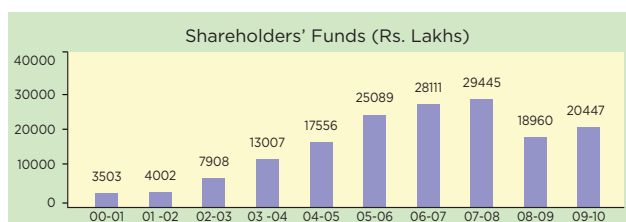
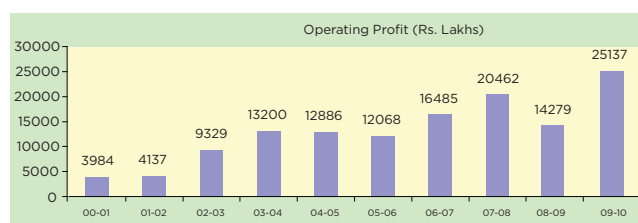
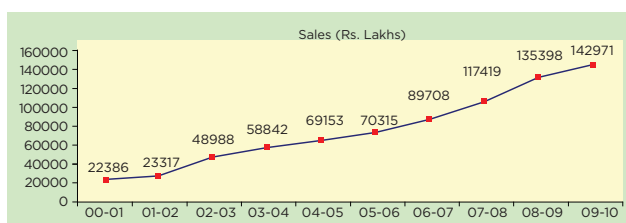


For technical papers, online tutorial, glass applications and much more, visit www.aisglass.com

Ten Years' Financial Snapshot

(Rs. Lakhs)

Items	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Sales	22,386	23,317	48,988	58,842	69,153	70,315	89,708	1,17,419	1,35,398	1,42,971
Other Income	211	171	578	1485	741	365	2,263	6,006	1,154	3,443
Total Income	22,597	23,488	49,566	60,327	69,893	70,680	91,971	1,23,425	1,36,552	1,46,414
Operating Profit	3,984	4,137	9,329	13,200	12,886	12,068	16,485	20,462	14,279	25,137
Interest	582	485	787	242	316	1,083	3,545	8,476	12,433	12,783
Gross Profit	3,402	3,652	8,542	12,958	12,570	10,985	12,940	11,986	1,846	12,354
Depreciation	1,927	1,744	4,385	5,006	4,032	631	6,527	10,050	11,349	12,448
Profit Before Tax	1,296	1,726	3,816	7,759	8,498	9,123	6,324	1,958	(9,576)	(179)
Tax	500	540	48	584	678	498	2,117	624	(5,516)	(302)
Profit After Tax	796	1,186	3,768	7,175	7,820	8,625	4,208	1,334	(4,060)	123
Paid-up Equity Capital	370	740	800	800	800	1,599	1,599	1,599	1,599	1,599
Reserve & Surplus	3,133	3,262	7,109	12,207	16,757	23,490	26,512	27,846	17,361	18,848
Shareholders' Fund	3,503	4,002	7,908	13,007	17,556	25,089	28,111	29,445	18,960	20,447
Loans										
- Interest Free Sales Tax loan	2,493	2,568	2,482	2,431	2,347	2,267	1,900	1,464	905	550
- Interest Free Foreign Currency Loan	-	-	22,681	20,881	20,881	21,299	20,753	19,154	24,213	21,435
- Interest Bearing loan	6,332	9,199	8,536	3,731	21,278	63,107	1,01,321	1,18,525	1,36,612	1,25,078
Capital Employed	10,138	13,273	41,315	39,609	50,195	63,801	1,32,467	1,63,853	1,76,468	1,62,236
Net Fixed Assets	9,153	8,932	33,608	30,424	48,052	97,311	1,30,308	1,29,537	1,39,309	1,22,710
Net Current Assets	2,863	5,828	8,861	10,718	14,009	14,793	24,174	41,303	38,334	41,404
Earning per share (Rs.)	21.51	16.03	4.71	8.91	9.69	6.17	2.63	0.83	(2.54)	0.08
Cash Earning per share (Rs.)	78.46	42.05	10.69	15.34	14.78	6.37	7.97	7.40	1.01	7.68
Dividend Pay out (%)	28.15	34.21	35.92	28.29	29.05	12.69	28.19	-	-	-
PBDIT/Average Capital Employed (%)	40.96	35.34	21.63	32.62	28.70	21.17	16.80	13.81	8.39	14.84
ROACE (%)	19.31	18.89	10.96	19.78	19.63	20.09	10.06	7.04	1.68	7.44
ROANW (%)	27.78	33.65	51.33	69.79	51.27	40.49	15.82	4.64	(16.78)	0.62



- Previous period figures have been regrouped/rearranged, wherever required.
- Capital employed is exclusive of capital WIP and miscellaneous expenditure not written off.
- Earnings are taken on expanded equity capital, post bonus & merger
- Face value of equity shares is Re. 1/- from 2002-03 onwards
- Other income figures for 2002-03, 2003-04 & 2006-07 inclusive of exchange rate gain
- Shareholders' funds does not include non-cumulative preference share capital




A New Horizon

The world was buffeted by an unprecedented economic storm for nearly two years; now there is an uneasy calm. Though most of Europe is still to recover from the effects of the recession Asia, led by China and India, are surging back towards their pre-crisis growth trajectories; some of the OECD countries, including the USA are showing signs of revival and increased demand.

There is cautious optimism in the air; a new day seems to be dawning on the horizon.

The last two years of AIS, mirrors this cautious optimism. During the last two years the Company's financial performance has reflected the overall economic downturn. This has been in spite of the excellent relationship that AIS has with its customers, its internal efficiencies and its dominant market share, especially in the automotive glass segment. The reasons for the under- performance are many: a shrinking of the overall market demand, spiralling input costs, and an unfavourable exchange rate.

The good news is that the worst seems to be over.



As expected of all forward thinking and dynamic companies, AIS has carefully used the period of slowdown to learn and improve. Last year, AIS launched its 'Look Within' initiatives to examine every thread of its various business processes and cycles in order and glean maximum efficiencies with minimal capital outlay. These, coupled with an improvement in the overall economic environment since the third quarter of 2009-10, have yielded impressive results.

For most of Asia and especially India, 2010-11 is predicted to be a good year - a year when economies are expected to firmly get back on an accelerated growth path. Market demand is increasing, consumer spends are up and the overall sentiment is positive. The fundamentals seem to have moved from pure cost efficiencies to a concept of 'value added efficiencies'. AIS has geared itself to cater to this exciting growth phase and is marching forward - to a new day and a new horizon.



A New Horizon In Demand

India has emphatically emerged from the dark days of the economic slowdown and emerged into a new horizon of growth. In the beginning of 2009, economic forecasters were predicting that India's GDP growth for 2009-10 would be in the region of 6%. Later in the year, these were revised upwards to around 6.5% growth. But, backed by strong domestic demand and remarkable growth in industrial production, India's GDP growth for 2009-10 is estimated at 7.4% - and experts are now talking of 8.5% growth in 2010-11.

What is even more encouraging is that this growth has been broad based across multiple sectors. The manufacturing sector has grown by 10.8% over the previous year, while construction has grown by 6.5%. Both numbers augur well for AIS.

There has been a remarkable surge in demand in the automobile sector. According to industry estimates,

compared to 2008-09 there has been a 29% increase in the volume of production of passenger cars; a 23% increase in light commercial vehicles and a 22% production growth in medium and heavy commercial vehicles. And the figures of the first couple of months of the current financial year indicate that, if anything, this is trending upwards.

The construction and realty sectors are the other areas where AIS's product offerings are utilised. These sectors, too, have returned to growth after the 'Great Recession' of 2008 and 2009. With increased investments in hospitality, entertainment, retail, healthcare and residences, the need for value added glass in these areas is expected to increase in the near future, helped in great measure by government initiatives in unlocking FDI opportunities for townships and Special Economic Zones.

AIS is poised to leverage its unique positioning in the



industry and grow with its customers. In the automotive glass segment, AIS is the first vendor of choice for all manufacturers based in India, whether of global or Indian origin. Over a period of twenty three years, AIS has established its credentials with its customers in product development, quality, timeliness of delivery and volumes. AIS Auto Glass has not only constantly acquired new customers, it has deepened its relationship with its existing ones – so much so that it has now transcended from being a supplier to being a partner. The Company’s engineering knowledge, drive for excellence and passion to deliver what the customer wants on time and every time makes it the first choice for supplying automotive glass products to all automotive majors.

AIS’ Float Glass SBU, too, has metamorphosed from being a supplier of float glass to being a holistic solution provider of value-added glass solutions. Moreover, AIS Float Glass, along with AIS Glass

Solutions is moving closer to the end-customer. Compared to the earlier practice of selling the majority of its products through a distribution and dealership chain, the Company is tapping opportunities to partner in individual realty and construction projects, where significant volumes of value added glass is needed. This has meant that in spite of lower volumes of sales, profitability has increased. Also, being closer to the customer has meant that customer needs can be directly addressed and where needed, innovative solutions can be provided, thus enhancing the overall customer experience. Here again, AIS is moving towards becoming a ‘partner’ as opposed to being a mere supplier.

These initiatives will continue as AIS moves towards addressing the new demand horizon.



A New Horizon In Manufacturing

Manufacturing efficiencies create value. Never is this axiom truer than in the glass business. In the automotive glass segment, the product is engineered to extremely stringent quality and product specifications; hence, rejections not only reduce profitability, it jeopardises the continuity of the customer's production line. And in the float glass segment, where a number of players compete for marketshare and volumes, the capability to manufacture float glass and value-added glass products in a cost efficient manner significantly increases sales and bottomline.

As demand for glass products surges, both in the automotive and the float glass sectors, maximising manufacturing efficiencies, generating greater throughput and reducing production failures take centre-stage. And over the past few years, especially in 2008-09 and 2009-10, AIS has been focusing on optimising precisely these elements in its manufacturing processes. Product development, supply chain efficiencies and production process optimisations have meant that AIS has managed to reduce its fixed costs as a percentage to sales, thereby improving its profitability. A good example of this is the Taloja plant of AIS Float Glass.

Fuel and power are two of the major inputs for manufacturing float glass. The Taloja plant's furnace operated on furnace oil, which is both inherently high cost and also subject to price volatility. During the year, Taloja plant has switched over to and stabilised its production using natural gas as its primary fuel source. Throughput quality has remained the same – but the cost of production has reduced significantly. Similarly, procuring silica sand at competitive prices and from locations in reasonably close proximity to the manufacturing site is an important part of

optimising material costs and maximising supply chain efficiencies. AIS has been exploring opportunities of acquiring mining leases for high quality silica sand, which are in close proximity to its Roorkee plant, thus ensuring continuity of supply, reducing freight and allied input costs.

Cost optimisation is one part of an overall value proposition triangle. Product development and acquisition of new customers is the second. And quality initiatives that ensure continuing customer delight is the third. AIS has been focused on developing all three parts. The Auto Glass SBU is proud to announce that, during the year, it has acquired a significant new customer; AIS is the sole supplier to the automotive glass needs of Volkswagen's India operations. In addition, AIS Auto Glass has also been partnering with its existing customers for the launch of their new models. Maruti Suzuki, Mahindra & Mahindra, Honda Motors, Tata Motors, General Motors and Ford India have been some of the customers with whom AIS has partnered in order to develop products for their new model launches.

During the year, AIS Float Glass has launched a number of new colours and variants to its product portfolio e.g. AIS Opal (Solar Control Glasses) in Royal Blue and Cool Green, tinted Royal Blue and tinted Cool Green glass and AIS Supersilver heat reflective glasses in Fern Green and Pacific Blue. As AIS Float Glass moves towards a greater preponderance to value added glass products and holistic glass solutions, new and innovative product offerings will continue to increase.

Quality is a non-negotiable way of life in AIS. AIS's Auto SBU is, till date, the only glass manufacturer to have won



the Deming Application Prize for quality, which was awarded in November 2008. In 2010-11, AIS goes in for the post-Deming review and has been assiduously preparing for it by improving overall quality practices across all its plants. In addition, new quality initiatives have also been introduced by way of Six Sigma, Total Productivity Management (TPM) and Value Stream Mapping (VSM). AIS is also readying itself for the OHSAS: 18001:2007 certification for health and safety; preliminary work has been completed and the audit is expected to be conducted in 2010-11.

A growing market of increasing sophistication means that manufacturing capabilities also need to grow apace - not just in terms of volume but also in terms of quality and innovation. Customers are moving for a pure 'value play' to 'value - additions play' and vendors who can appreciate and embrace this paradigm shift will be the eventual winners. AIS has always been at the forefront of adopting best in class manufacturing and quality practices in order to improve its delivery capabilities. And, in the new demand scenario, it will continue to do so even more.

A New Horizon In Financials

AIS's financials have also substantially improved during 2009-10 - and the trend is likely to continue. Cash flow from operating activities for the year has increased over 3.75 times; the standalone entity is back to generating post-tax profit. Working capital management has improved and the overall loan portfolio has reduced by 9%. These are signs that the Company's cost optimisation

measures, coupled with its focus on value added growth are yielding positive results.

The overall quantum of debt still remains an area of concern for the Company; however, it must also be appreciated that a certain amount of debt funds will remain in the Company's books for it to pursue growth opportunities. The Company is taking all possible measures both to optimise the debt quantum as well as reduce the average cost of debt. A significant portion of the Company's debt is denominated in foreign currency. With the Rupee having stabilised and, indeed, strengthened, the Company expects to be able to address its debt obligations better. AIS's debt will start tapering down from 2012 onwards, and with the interest and loan instalment burdens reducing, both profitability and cash flow are expected to improve significantly. With growth being projected through 2010-11 and beyond, AIS's financials are expected to look bright in the near future.

The Dawn of A New Day

A new day is in the offing. But that is not necessarily cause for unbridled optimism and reckless complacency. AIS recognises that with the upturn in the economy, different challenges will emerge, the challenges of holding on to and gaining marketshare, managing enhanced customer expectations in terms of quality, quantity and delivery timelines and diversifying into hitherto untapped areas for glass use. All of this will demand the same sort of discipline, focus and attention to detail that the Company displayed during its introspective phase. AIS is ready for the dawn: ready to grow with the dawn of the new day.

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)

Marehisa Ishiko
Director

Surinder Kapur
Director

Shinzo Nakanishi
Director

Keiichi Nakagaki
Director

Rahul Rana
Director

Gautam Thapar
Director

Arvind Singh
President (Glass)

Gopal Ganatra

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

Arvind Singh
Member

Head - Legal & Company Secretary
Compliance Officer

Statutory Auditors

Jagdish Sapra & Co.,
Chartered Accountants

Internal Auditors

Altran Control Solutions,
(a unit of JC Bhalla & Co.)

Bankers

HDFC Bank Ltd.
State Bank of India
Standard Chartered Bank
State Bank of Mysore
State Bank of Hyderabad
ICICI Bank Ltd.
Mizuho Corporate Bank Ltd.

The Bank of Tokyo Mitsubishi
UFJ Ltd.
The Royal Bank of Scotland
The Bank of Rajasthan Ltd.
Axis Bank Ltd.
Citi Bank N.A.
Yes Bank Ltd.
The J & K Bank Ltd.
State Bank of Mauritius Ltd.

REGISTERED OFFICE

38, Okhla Industrial Area, Phase - III
New Delhi -110020
Tel: (011) 41001690-96
Fax: (011) 41001691

CORPORATE OFFICE

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

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

AIS Float Glass

PLANT

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

AIS Glass Solutions

CORPORATE OFFICE

38, Okhla Industrial
Area, Phase - III,
New Delhi -110 020
Tel: (011) 41001690-96
Fax: (011) 41001692

Plot No. F - 76 to 81,
SIPCOT Industrial Area,
Irungattukottai,
Sriperumbudur Taluk,
District - Kancheepuram
Tamil Nadu - 602 105
Tel: (044) 47103442/43
Fax: (044) 47103441

SALES AND MARKETING HEAD OFFICE

C - 203/B, Fortune 2000
Bandra - Kurla Complex
Bandra (East), Mumbai - 400 051
Tel: (022) 30620101/07/13
Fax: (022) 30620119

SALES OFFICES

Gundecha Industrial Estate
4th Floor, Office No 414
Akurli Road (Next to Big
Bazaar) Kandivali - (East),
Mumbai - 400 101
Tel: (022) 32472689
Fax: (022) 67031181

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

Zonal Offices-North
17, Okhla Industrial Area
Phase - IV, GF , New Delhi -110 020
Tel: (011) 40548151-53
Fax: (011) 40548154

Unity Point, No. 1-A
14, Wood Street,
Bangalore - 560 025
Tel: (080) 41512634,
32941297
Fax: (080) 41512636

Sub-Assembly Units
No. 28, Challeghatta Village
Road Anchepalya, Mysore Road
Bangalore - 560 074
Tel: (080) 28437139

South
No. 2 - C, 1st Floor, Ruby Regency
Dinrose Estate New No. 69,
Chennai - 600 002
Tel: (044) 28542491
Fax: (044) 28542494

No. 145, 1st Floor,
100 Feet Road, Aalm Centre
Senthil Nagar
Chennai - 600 094
Tel: (044) 23620213
Fax: (044) 23620113

1301/B, GIDC, Halol
Dist - Panchmahal, Gujrat - 389 350
Tel: (02676) 225610

East
Gajraj Chambers, 4th Floor,
Complex No. 86, B/2, Topsia Road,
Kolkata-700 046
Tel: 9831019403

Yashodhan, Plot No 72,
Pawanagar Society
Chinchwad, Pune
Tel: 9371004677

INTEGRATED GLASS PLANT

Plot - A, AIS Industrial Estate, Village Latherdeva Hoon, MangarJhabrera Road,
PO: Jhabrera, Tehsil Roorkee, District Haridwar, Uttarakhand - 247 667
Tel: (01332) 224010/14/15/16/91 • Fax: (01332) 224114

Management Discussion And Analysis

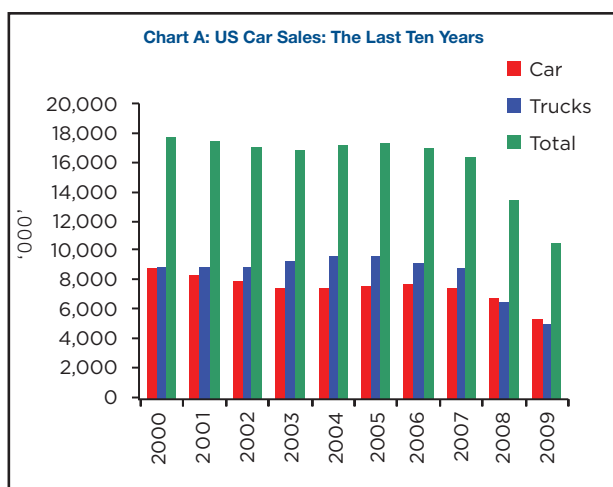
Economic Overview

The Global Economy

Contrary to fears that prevailed in the beginning of the year, the global economy recovered reasonably well by the end of 2009, though at widely differing rates of growth across regions. The International Monetary Fund (IMF) estimates that the global output will grow by four and a quarter percent in 2010 – this after a contraction of half a percent in 2009. Massive infusion of funds by governments across the world – including special funding for the US auto industry – staved off a deeper recession.

In Q1 of 2009, the US economy numbers showed a de-growth of 6.4% on a deseasonalised, sequential annualised basis. The figures for the next three quarters, however, showed sharp improvement: (-) 0.7% in Q2, followed by 2.2% and 5.6% growth in the second half of the year. Though lower in Q1 2009, growth is pegged at 3.2% and, after three consecutive quarters of a positive uptick, it may not be rash to state that the US economy is turning around.

The US car industry is still coming out of one of the worst times in decades. Overall sales of cars and trucks, which were hovering around the 17 million mark in 2006, fell to a total of around 13.4 million in 2008 and an even lower 10.6 million in 2009 (Chart A). About 690,000 of those sales in 2009 were made thanks to the 'cash for clunkers' program paid for with federal dollars, where the US government gave consumers subsidies to switch from older, fuel inefficient cars to new, smaller and more fuel efficient models. Two of the auto giants - GM and Chrysler – filed for bankruptcy, while a large number of dealerships, suppliers, parts manufacturers and other auto-related businesses also failed.

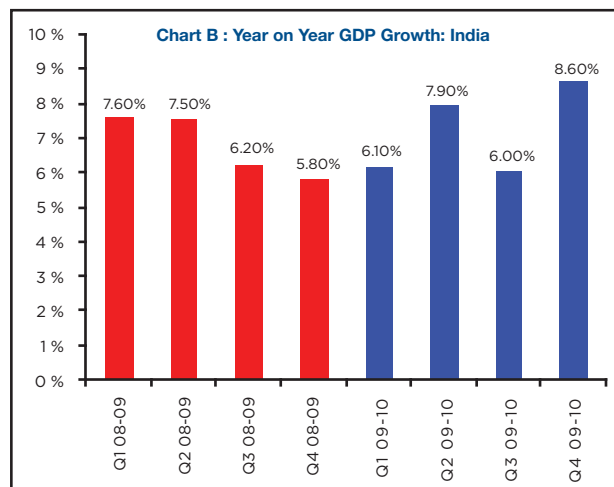


The Euro zone is a study in contrasts. While France and Germany are doing reasonably well, Greece (and possibly Portugal and Spain) have economies and budget deficits that give rise to grave concern. The European Union, along with the IMF, have launched an assistance programme for Greece that totals €750 billion; however, if Portugal, or indeed Spain, follows the same path that Greece has, the Euro may come under severe pressure.

Asian economies, boosted by stronger domestic demand and a more cautious approach to monetary and fiscal policies in the past, have suffered less during the recession era; consequently, their 'bounce back' has been faster. China grew at 8.7% in 2009 – this in a year when most economies in the world would have been happy to be at zero growth; this year the Chinese economy is expected to grow in double digits – the Q1 2009 results reflect 11.9% growth. The other major Asian economies, with Japan being a notable exception, are projected to grow between 4.7% and 6.0%.

India

According to the latest published numbers, India's GDP growth for 2009-10 is estimated at 7.4% (Chart B). What is even more encouraging is that industrial production has been improving quarter on quarter; the March, 2010 Index of Industrial Production (IIP) registered an increase of 13.5%; this is the sixth consecutive month of increases. The manufacturing sector recorded 14.3% growth in Q3 2009-10 (the highest in eleven quarters), while the construction sector has grown by 8.7%. As a consequence, the overall IIP figure of 2009-10 has reached 10.4%. This rising demand in manufactured goods (including automobiles) and the construction segment are encouraging signs for Asahi India Glass Ltd. ('AIS' or 'the Company').



There has been some increase in exports; however, the rupee strengthening against the major currencies – especially the Euro, is causing concern to exporters. This is especially true where Indian exports are being pitted against the Chinese, who had, until recently, kept their currency undervalued.

Inflation remains a worrisome factor. Both wholesale prices and consumer prices have been rising steadily over the past few months.

AIS: Financial Performance

2009-10 was a year that gave rise to cautious optimism in AIS. The Company's topline increased by 5.6%; more importantly, the operating efficiency measures that had been put in place from 2007-08 onwards started showing in the middle line, thus reflecting the success of the 'Look Within' initiatives.

The summarised financial highlights of AIS as a stand-alone entity for 2009-10 are given below :

- Gross sales increased by 5.6% to Rs. 142,971 lakhs (Rs. 135,398 lakhs in 2008-09).
- Net sales grew 3.65%: from Rs. 121,821 lakhs in 2008-09 to Rs. 126,273 lakhs in 2009-10.
- Material costs increased by 6.6% over last year to reach Rs. 38,368 lakhs. On the other hand, Power & Fuel costs reduced by 8.2% from Rs. 28,238 lakhs in 2008-09 to Rs. 25,933 lakhs. Power is a significant input for glass manufacture and, to all intents and purposes, is a 'quasi' material cost. If both figures (i.e. Material Costs and Power & Fuel) are to be aggregated, the total material costs as a percentage to net sales has reduced from 52.74% to 50.92%, thus reflecting the effectiveness of the Company's cost and efficiency optimising measures.
- Operating Cash Profit was Rs. 1,458 lakhs in 2008-09; it has reached Rs. 11,375 lakhs in 2009-10. In addition to the benefits that AIS has gained through its operating efficiencies and greater value margins in sales, this figure for 2009-10 has been boosted by increases in Other Operating Income (Rs. 2,498 lakhs in 2009-10 vs. Rs. 951 lakhs in 2008-09) and Other Income (Rs. 887 lakhs in 2009-10 vs. Rs. 203 lakhs in 2008-09).

- Profit after tax for 2009-10 was Rs. 123 lakhs, compared to a loss of Rs. 4,060 lakhs in the previous year.

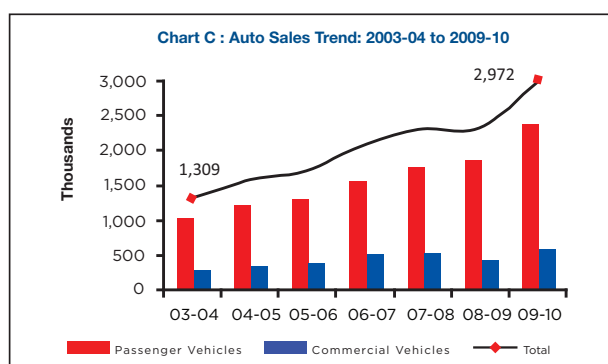
AIS Auto Glass

AIS Auto Glass is India's pre-eminent supplier of automotive glass. It has a dominant share of business among all automotive manufacturers in India, whether of Indian or global origin. During 2009-10, AIS Auto Glass continued its splendid performance in terms of delivery of quality products to its customers and maintained its position as a premium supplier of automotive glass to almost the entire Indian automotive industry.

Industry Structure & Developments

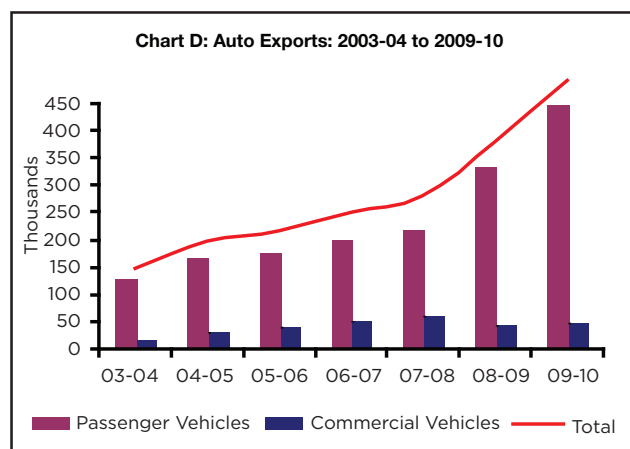
Total auto production (i.e. passenger and commercial vehicles) has grown from 1.2 million units in 2003-04 to 2.9 million units in 2009-10 – a seven-year CAGR of 14.9%. Even if the last three years' CAGR is to be considered, auto production has grown by 12.0% – and this is in spite of the slowdown that the sector witnessed in 2008-09.

Auto sales in India have grown with a Compounded Annual Growth Rate (CAGR) of 13.2% over the past seven years. The CAGR for passenger vehicles has been an impressive 16.4%, while commercial vehicle growth has been at a more sedate 2.4%, mainly on account of a slowdown in 2008-09 (Chart C).



With India returning to a growth path, the automotive sector numbers have been trending rapidly upwards. According to the latest published figures, that of Apr – May, 2010, overall production growth has been 33.5% over the corresponding period last year. Sales of passenger vehicles in the domestic market have grown by 34.5%; commercial vehicles' sales have grown by 61.0% during the same period.

Auto exports have also been growing rapidly - a recognition of India's capability to manufacture engineered products of global quality at competitive prices (Chart D). Over a seven year period, India's auto exports have grown with a CAGR of 22.3%; the three-year CAGR is even more impressive at 33.1%. The April - May, 2010 figures reflect even faster rates of growth; passenger vehicle exports have grown up by 19.9% over April - May, 2009, while exports of commercial vehicles grew 122.4%.



Performance

AIS Auto Glass produces a wide range of glass fitments for a vehicle. The basic products are laminated (front) windscreens, tempered window glasses (sidelites) and the back glass (backlite). In addition to supplying these products to automotive manufacturers as original equipment (OE) components, AIS Auto Glass also sells its products in the fast growing after sales service market (AFM market). Table 1 represents the share of business that AIS Auto Glass commands in the Indian market among various segments.

Table 1: AIS Auto Glass: Share of Business: 2009 -10	
Segment	Share of Business (by pieces)
Cars	77.80%
MUVs	68.00%
Sub Total 1	76.40%
Light Commercial Vehicles	30.40%
Medium & Heavy Commercial Vehicles	1.00%
3 Wheelers	8.60%
Total	67.30%

During 2009-10, AIS Auto Glass increased production of laminated glass by 29.74% from 2,247,416 pieces to 2,915,877 pieces over the last year.

Production of tempered glass increased 30.58% over the previous year. Overall sales of AIS Auto Glass increased 33.98% from Rs. 51,538 lakhs to Rs. 69,049 lakhs (Table 2).

Table 2: Production and Sales of AIS Auto Glass			
	2009 -10	2008 -09	Change %
Production (Quantity)			
Laminated Windshield (pieces)	2,915,877	2,247,416	29.74%
Tempered Glass (sqm)	4,890,645	3,745,208	30.58%
Sales (Quantity)			
Laminated Windshield (pieces)	2,909,199	2,260,716	28.68%
Tempered Glass (Conv. sqm)	4,877,852	3,733,843	30.64%
Sales (Rs. Lakhs)	69,049	51,538	33.98%
<i>Note: Sales figures of individual SBU's may not tally with the consolidated figures as reported in the Profit & Loss Account</i>			

During the year, AIS Auto Glass obtained orders for several new models from its existing customers; it also added new customers to its portfolio. Table 3 details the new models for which the SBU developed automotive glass products during 2009-10.

Table 3: New Models for AIS Auto Glass	
Manufacturer	Model
Maruti Suzuki	Ritz
General Motors	Beat
Ford India	Figo
Fiat	Grande Punto
Tata Motors	Manza
Honda	Jazz
Toyota	Fortuner
Mahindra & Mahindra	Gio, Maxximo, Navistar



Operations

AIS Auto Glass has three production facilities. Two are located in North India at Bawal (Haryana) and Roorkee (Uttarakhand); the third unit is located in the south at Chennai (Tamil Nadu). AIS Auto glass also operates three sub assemblies cum warehouses at Bangalore (Karnataka), Halol (Gujarat) and Pune (Maharashtra). All these facilities are strategically located close to the key automotive companies to ensure seamless service to customers. Production and other activities at each of the above facilities have been smooth during the previous year.

During the year, AIS Auto Glass continued to make the incremental investments that were needed to expand capacities, keeping in view the burgeoning demands from its customers. All investments were carefully analysed to ensure achieving customer satisfaction, 'on time and in full delivery', without negatively impacting the SBU's cash flow.

The project work of AIS Auto Glass at the 'Toyota Suppliers Park' near Bangalore (Karnataka) has been progressing smoothly and the facility is expected to commence operations by August, 2010.

AIS Auto Glass has been recognised by its customers for its quality, service capabilities, on time delivery and overall positive supplier experience many times in the past. In 2009-10, too, the SBU received a number of accolades from customers, some of which are detailed in Table 4.

Table 4: List of Awards Received in 2009-10 by AIS Auto Glass

Customer	Award
Maruti Suzuki India Ltd.	Certificate of Appreciation
	Vendor Performance Award (Gold Category)
	Manufacturing Excellence Award
Toyota Kirloskar Motors Ltd.	Achieving Target of Quality
	Achieving Target of Delivery
Whirlpool of India Ltd.	Best Supplier Award (Gold Category)
Tata Motors Ltd.	Cost Efficiency Award
Mahindra & Mahindra Ltd.	First Prize for Lowest PPM
	First Prize for Best Delivery/Logistics

Input Costs and Sourcing

The key inputs for manufacturing automotive glass are auto-quality float glass and Poly Vinyl Butyral (PVB). Being an integrated glass Company, AIS has the distinct advantage of being able to procure supplies of auto-quality float glass from AIS Float; however, AIS Auto Glass adopts an optimal mix of sourcing auto-quality float glass from internal as well as other, mainly imported sources.

The global economic slowdown of 2008 and 2009 had adversely impacted float glass manufacture across the world; a number of plants ceased operations, at least temporarily. Float glass plants, once shut down, take a substantial amount of time to restart and stabilise operations; hence there is always a lag time between commencement and a flow of steady supplies into the market. Thus, when the Indian automotive industry demand increased from the second half of 2009-10, there was a shortage of auto-quality float glass in India - with its consequent impact on procurement prices and strain on keeping the supply chain going. This was faced by AIS Auto Glass as well and has greatly impacted the profitability of the SBU. Looking at the demand scenario in Asia, float glass lines across the globe are now being re-commissioned; it is expected that there will be adequate supplies by the end of 2010-11.

AIS Auto Glass continues to track the global cues and work out an optimal plan for cost-effective procurement, especially for its key inputs.

Future Outlook

As India's growth momentum accelerates, the demand for automobiles is expected to increase as well - in fact, at an even faster pace. Since 2000, the Indian auto component industry has been growing steadily; the past few months indicate that the growth trajectory is now moving much faster and sharper. From being a supplier to Indian auto



manufacturers, the industry has been transforming itself into becoming a viable option of global sourcing for automobile majors across the world. Simultaneously, the automobile industry in India, fuelled by economic growth, more nuclear families, greater disposable income and easier consumer credit facilities, has been growing rapidly and is expected to continue on its growth path, as indicated in Table 5 below :

Table 5: Growth forecast : Automobile Sector					
Segment	Production ('000' vechiles)			Growth %	
	Actual	Actual	Projected	Actual	Projected
	2008-09	2009-10	2010-11	2009-10 vs. 2008-09	2010-11 vs. 2009-10
Cars	1,593	2,059	2,431	29%	18%
MUV	258	324	357	25%	10%
Cars + MUV	1,851	2,383	2,787	29%	17%
LCV	232	365	449	57%	23%
MHCV	160	197	240	23%	22%
3Wheeler	492	619	649	26%	5%
Total	2,735	3,564	4,124	30%	16%

The entry of global auto companies in India, and their intention to make India as their global manufacturing and supply base also portends well for the growth of the automobile industry. Also, in order to be cost competitive in a value conscious Indian market, global automotive majors are increasingly indigenising their components, without sacrificing quality. This has created a strong 'manufacturer - supplier' partnership, where each helps the other to the benefit of both, as well as the end consumer. Auto component manufacturers are gaining perspectives on global best manufacturing practices, economies of scale and a competitive quality edge. With growth in infrastructure being an area of prime focus in the Eleventh Five Year Plan, road development will have to increase; and with it, a growth in automobile demand.

AIS Auto Glass is well positioned to exploit this growth opportunity with its inherent proven advantages. The Company's engineering skills and deep knowledge of the automotive glass sector helps it in partnering with its customers for new model developments; not only are these developed better, the turnaround time is also shorter. Its passion for quality ensures the least amount of rejections and on time delivery ensures the continuity of the customer's production line. AIS Auto Glass has forged its relationships with its customers over twenty three years of partnership, collaboration and trust. The pre-eminence of AIS Auto Glass as the 'partner of choice' for all automobile majors in India stands unquestioned. AIS Auto Glass will continue to grow on these inherent strengths to deliver the highest level of customer satisfaction in the years to come.

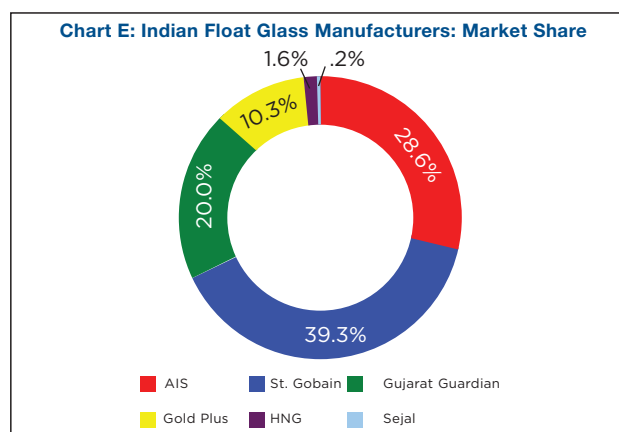
AIS Float Glass

Industry Structure & Developments

The Company's venture into float glass manufacture started in 2001, with the acquisition of Floatglass India Ltd (FGI), which was, in 2003, merged with AIS. Today, AIS Float Glass produces a wide range of quality value-added products and is a premier supplier of float glass in the country.

Float glass is used both as an input material for the Auto Glass SBU as well as stand alone products for various uses, especially in the building and construction sector. AIS Float Glass has two manufacturing units located at Taloja (Maharashtra) and Roorkee (Uttarakhand) with a combined capacity of producing upto 1,200 tonnes per day (TPD).

The SBU commands 28.6% share of the float glass sales in India (Chart E). Apart from the major players like, Saint Gobain Glass India Ltd., Gujarat Guardian Ltd., a few other manufacturers like Sezal Architectural Glass Ltd., Hindustan National Glass Ltd. have recently ventured into this market.



Products of AIS Float Glass are sold through a network of nearly 800 stockists across India to various segments.

In 2009-10, the Indian float glass industry recorded a growth of 13%; however, this year-on-year growth reflects a 'low base effect', given that there was de-growth in 2008-09, mainly due to the reduced demand of float glass during the previous year.

Performance

Table 6 details the production and sales of AIS's Float SBU for the year ended 31st March, 2010.

Table 6: Production and Sales : AIS Float Glass			
	2009-10	2008-09	Change%
Production (csqm)	5,46,35,132	6,34,35,030	(13.87%)
Sales (csqm)	5,13,86,919	6,03,93,163	(14.91%)
Sales (Rs. Lakhs)	47,255	58,909	(19.78%)
Note: Sales figures of individual SBU's may not tally with the consolidated figures as reported in the Profit & Loss Account			

During 2009-10, sales of the Float SBU were at Rs. 47,255 lakhs (Rs. 58,909 lakhs in 2008-09). The drop in topline reflects a conscious strategy of AIS Float Glass to shift from being a supplier of low value, high volume plain glass towards a provider of higher value-added products and solutions.

During the year, AIS Float Glass introduced the following new variants and colours of its product range in the market.

- AIS Opal™ (Solar Control Glasses) - Royal Blue and Cool Green;
- AIS Tinted Royal Blue and Tinted Cool Green;
- AIS Supersilver™ (Heat Reflective Glasses) Fern Green and Pacific Blue.

The market response to these new offerings has been encouraging.

Operations

AIS Float Glass continued to operate during the year from its plants at Talaja and Roorkee. Operations were smooth and regular. During the last few years, AIS has increased its focus on value-added products. During the previous year, AIS Float Glass made considerable head way in sales of its value-added glass products; the SBU is now reaching a state where value-added glass comprises a substantial part of its product portfolio and sales basket.

Power and fuel are major inputs in the manufacture of float glass; hence, reduction of power and fuel costs per unit of output is a profitability determinant. During the year, AIS Float's Talaja plant successfully implemented and stabilised its operations after switching over to natural gas as its primary fuel source. This substitution of natural gas in the place of furnace oil has resulted in substantial savings, without impacting the quality of output; it has also ensured stability of fuel source supply and prices.

AIS Float Glass continued to expand its reach in the market by appointing several more dealers across India. It also continued to organise various meets, events and other sales promotional activities throughout the year.

Input Costs and Sourcing

Soda ash, sand, power and fuel are the key inputs for manufacturing of float glass.

AIS Float Glass continues to make efforts to lower its input costs. The initiative to switch from high cost furnace oil to lower cost natural gas is an example of these initiatives, where not only cost has reduced but the supply chain has been better secured, and the Company mitigated against the risk of volatility of crude oil prices.

Government of India continues to levy safeguard duty for the import of soda ash, thus effectively increasing the procurement cost of this critical raw material. The waiver of this duty would reduce soda ash costs substantially.

The prices of glass grade silica sand continued to remain high. Also, transportation cost of sand is an important element of its total procurement costs; hence, being able to source quality sand close to production facilities is an important aspect of cost optimisation. During the previous year, AIS Float Glass has made considerable progress in its efforts to indigenise sand procurement through mining leases.

Future Outlook

Although glass is a commodity known to mankind since 3,000 years, it is always on the cutting edge of innovation and subject to an array of new and diverse uses. The float glass industry is poised for increasing competition with the new entrants. The key differentiator shall remain the product mix of high value-added products. AIS Float Glass is constantly increasing its product portfolio and offering value-added, customer oriented products.

Glass has myriad uses and it is being used more and more innovatively, especially in the realty and construction sector. This is especially true with the Energy Conservation and Building Code (ECBC) norms coming into effect for buildings that have a floor area of 10,000 square feet or greater. ECBC norms stipulate that a minimum level of energy efficiency standards have to be maintained, including thermal performance requirements for walls, roofs, and windows. Glass is an integral part of the green movement and address a host of issues raised under the ECBC. These norms have created a new set of opportunities and a new market segment for AIS as a value-added glass solutions provider; together with the architect and the builders, AIS continues to create glass solutions that are used for green and energy efficient buildings.

It is also important for glass manufacturers to sensitise the end customer about the most appropriate glass solution that offers maximum value addition at the right price. This creation of customer awareness is something that AIS Float Glass takes seriously; the SBU is active in educating consumers about the usage of the correct variety of glass best suited for a given purpose.

With the growth in manufacturing, construction and retail coming back on track, the demand for glass, especially value-added glass products and solutions is expected to grow. AIS Float Glass is continuously looking at opportunities to create such value addition in the market with its end customers. In the near future, it is expected that the product shift to value added glass products will bear fruit in terms of both increased sales and improved profitability.

AIS Glass Solutions

Industry Structure & Developments

The architectural glass industry in India is still largely unorganised. There are only a handful of corporate players in India and amidst them AIS Glass Solutions is the only player which has an integrated supply back up of quality float glass – the raw material for architectural processing.

The Indian economy has recently witnessed a return of growth momentum in the construction industry. After a tough 2008-09, the overall growth in the architectural glass processing industry in 2009-10 was around 12%. The tempering process (toughening) in architectural glass processing is a low-investment, freely available technology, due to which, during 2009-10, there were several small processors which emerged in the market with tempering capacities. The key differentiator in this industry is complex processing using laminated or IGU, quality and timely delivery. AIS Glass Solutions has unmatched quality and technological product offerings.

Performance and Operations

During 2009-10, AIS Glass Solutions continued to operate smoothly from its 3 architectural glass processing plants located at Roorkee- Uttarakhand (North India), Taloja - Maharashtra (West India) and Chennai-Tamil Nadu (South India) and several marketing offices across India.

Table 7 details the production and sales of AIS Glass Solutions for the year ended 31st March, 2010.

Table 7: Production and Sales: AIS Glass Solutions			
	2009-10	2008-09	Change (%)
Production (sqm.)	8,43,832	5,96,801	41.39%
Sales (sqm.)	8,45,917	5,95,363	42.08%
Sales (Rs. Lakhs)	7,389	7,320	0.94%
Note: Sales figures of individual SBU's may not tally with the consolidated figures as reported in the Profit & Loss Account			

Timely delivery and efficient customer service have been the major focus areas in 2009-10

Future Outlook

With all the necessary infrastructure and capacities in place, and after having won its customer confidence and appreciation, it is now time for AIS Glass Solutions to de-bottle some of the manufacturing inefficiencies and focus more on timely delivery to the customer. 2009-10 promises to be an upbeat year for the architectural glass processing industry and with its inherent strengths, AIS Glass Solutions is poised to significantly increase its market share.

Quality

Two years after the Company's Auto Glass Division won the Deming Application Award in 2007-08, it goes in for a 'post-prize TQM review in 2010-11. This review will be focusing mainly on two things: (a) follow-up activities conducted on the Deming examination findings; and (b) status of the future plan submitted at the time of the Deming examination.

During the year under review, all actions needed for the follow up of Deming examination feedback were in the process of being verified.

In 2008-09, a sophisticated TQM review mechanism as highlighted in table 8 was introduced in AIS which was strengthened and implemented during the year using the same protocol as adopted for the Deming Application Prize.

Table 8: The TQM Review Mechanism

Activity	What it Entails	When
Yearly Review	Review complete year's gap analysis to prepare the next year's	April
Support in Job Execution to all departments	Actual working on planned activities	Weekly
Review by TQM	Progress check on results achieved and gap analysis	Monthly
Review by Plant	Progress check on the countermeasures suggested on the deming feedback	Quarterly
Review by Steering Committee	Forth examination as suggested by the Deming Application Prize	Half Yearly

With an objective of developing a Company wide TQM awareness and to encourage all employees of the Company to practice TQM, the following internal training programmes were planned and executed during the year :

- PDCA approach.
- Value Stream Mapping (VSM)
- Maruti production system (MPS)
- TQM awareness programme for the new employee
- Time and motion studies
- Statistical Process Control (SPC)
- Six Sigma overview

Information Technology

The Company's Information Technology (IT) function is responsible for planning, building and maintaining the information systems. More than a pure data capture and report generation initiative, the IT network is a process enabler and majority of decisions are reporting based on IT platform. The IT architecture is based on an Oracle 11i ERP platform; the Data Centre is hosted at the Company's Gurgaon Office and all plants and offices are connected through Multi-Protocol Label Switching (MPLS) and Leased Lines (LL).

During the year AIS continued to upgrade its IT systems (applications, transactions and technology) to build an IT enabled, system driven operating and reporting infrastructure.



Corporate Social Responsibility

Sustainability is a hallmark of good Corporate Social Responsibility (CSR) initiatives. AIS believes that it has a responsibility to nurture the environment in which it operates; not merely through discrete 'socially responsible' activities, but through a continuous programme of development. To that effect, AIS's CSR activities have transcended into an Integrated Community Development Programme (ICDP) that continuously nurtures and nourishes the people who come in contact with the Company.

The ICDP initiatives have been focused on three major areas: (a) education, especially for the girl child; (b) water conservation and sanitation; and (c) creating income opportunities through self-help groups. The activities are centred in and around locations where AIS has its manufacturing facilities, namely Rewari and Roorkee and are administered and monitored by Youthreach, a Delhi based NGO.

At Rewari

Education and Skill Training have been identified as critical intervention areas in Rewari for the current phase ICDP. Initiatives in these areas are undertaken under the umbrella of the 'Unnati Education Programme', which, in 2009-10 has been extended to ten villages.

■ Education Initiatives

A large number of children in rural and semi-urban India drop out of school due to socio-economic reasons - mainly because either the cost of education is too high or because they become family bread earners. Also, not being exposed to education initiatives from an early age means that some of these children need 'catch up' and remedial education. AIS Unnati Centres provide education for school dropouts and remedial education for children in school.

Currently, the ten AIS-Unnati education centres provide opportunities for 62 dropout youth (51 girls and 11 boys) to appear for board exams through the open school. These children have appeared in the 2nd semester of the board exams held by the Haryana Open School System. Remedial education is also being provided for 252 children (126 girls and 126 boys) at these centres. Besides regular tests, extra and co-curricular activities such as educational excursion, Independence Day, Children's Day, painting competition and sports event are also being organised.

Sensitising the parents and family members to the importance of a continuing education is just as important as educating the children. To do so, 70 Parent Teachers Association (PTA) meeting were held during the year in the ten villages.

During the year, various extra curricular activities (drawing, painting, essay writing, quiz and group interaction) were conducted. As part of festivities, Independence Day celebrations were organised across 10 villages, in which youth and children performed various cultural activities, where around 300 children and 200 villagers and parents attended.



A sports event was also conducted at AIS's playground in Bawal. Various recreational activities were organised for the students of AIS Unnati centres; the children also had an exposure trip to different sections of the plant. An 'exposure visit' to Jaipur was organised for the 'out of school' and 'remedial' children; 155 boys and 145 girls in the age group of 12-16 years visited different places of interest in and around Jaipur.

In order to help children to regularly attend school, a school bus service is provided to girls who attend high school in Bawal. Currently around 560 children from 36 villages avail this facility. Due to access to the bus service, a large number of families have started sending in their girls to schools and dropout rates after class 6 have come down drastically. A direct correlation between school attendance and academic results has been established: in the last financial year, girls accessing the school bus services have excelled academically. 99% passed the Higher Secondary Board exams, 92% passed the Secondary Board exams and 88% passed the Class 8 exams. The results for 2010-11 have been equally encouraging with 99% students having cleared Class 8 exams and 94% having passed the Secondary Board exams.

A sewing and tailoring unit has been set-up on a pilot basis to train underprivileged girls and create income generation skills. Currently, thirty girls are attending the classes.

■ Water & Sanitation

Interventions under water and sanitation included activities such as organising women into sangathans and building their capacity in village level governance, constructing rainwater harvesting structures (johads, tanks recharging wells) at the household and the community level, and household toilets. The local women have been organised into self-help groups and are being provided with loans to undertake income generating activities. The self-help group mechanism has been leveraged to train women in areas of local governance, water and sanitation.

At Roorkee

The AIS Integrated Community Development Programme has also been rolled out to fifteen villages around the AIS plant in Roorkee. The focus areas in Roorkee are Education (bus services for school going girls) and enterprise development, through Project Aarohan.

■ Enterprise Development

Enterprise development initiatives are conducted through self-help groups (SHGs) and monitored by Disha Social Organisation, a Saharanpur based NGO. At the end of 2009-10, 88 self help groups have been established, comprising of a total of 1,054 members; together, these members have set up 478 micro-enterprises.

Street plays form an important role in mobilising women to form self help groups. Five street-plays were conducted in the new project villages to mobilise the masses. The message of the project Aarohan was also spread among the villagers.

Part of a continuing effort to build skills, knowledge and awareness entails SHG members interacting with other groups, visiting exhibitions and learning from institutions about income generation activities and management techniques. Four such exposure visits were organised during the entire year, where over a hundred members participated in various activities.

In addition, sixteen capacity building training programmes were organised in villages. These trainings are aimed at motivating SHG members to run the group more effectively and wisely. Practical training on filling pay-in-slips, maintaining SHG records and similar activities are given in these training sessions. More than 850 members participated in the training programmes.

■ Gender Sensitisation Activities

The first workshop on 'Gender Sensitisation' was organised in September 2009 at AIS. The objective of the workshop



was to make rural women aware about gender based discrimination and violence, rights of women, human rights and women empowerment. Approximately 50 women from different groups and villages actively participated in the two days workshop.

A second workshop was organised at the project office in March, 2010, where 48 women participated.

International Women's Day was celebrated by the members of self help groups with great zeal. More than 550 women from 15 villages gathered at a nearby school campus and enjoyed the day by sharing their thoughts on women empowerment and participating in the subsequent rally.

■ Health

Supported by the Max India Foundation, the first Hepatitis-B immunisation camp was organised in Gadarjudda village in February, 2010. 190 children in the age group 0 to 12 year were immunised with the first dose of the Hepatitis-B injection. The follow-up immunisation camp was organised in March, 2010, where 150 children were immunised with the second of the three vaccine doses.

■ School Bus Service

The school bus facility, along the lines of the Rewari initiative, has been running smoothly for the last two years and is greatly appreciated by the 95 girls in the age group of 14 to 22 years who use it. The bus is currently operational in 8 project villages.



Q. & A. with the MD & CEO

How do you assess AIS's performance in 2009-10?

In the beginning of 2009-10, there were fears that the global economic slowdown will continue; however, due to massive fiscal and monetary interventions across economies, most of the major economies have returned to a growth path. There are pockets of worry, mainly in Europe, but Asian economies have rebounded from the downturn and are leading global growth. A sense of cautious optimism is now prevalent in the world's markets and economic environment.

The same sense of cautious optimism is reflected in AIS's performance as well. The Company's gross sales grew by 5.6% to Rs. 142,971 lakhs and net sales grew 3.65% to Rs. 126,273 lakhs. Even with this modest increase in topline, AIS grew its operating earnings before interest, depreciation and taxes (operating EBIDTA) by 72.57% to reach Rs. 24,165 lakhs, compared to Rs. 14,003 lakhs last year. Cash profit increased from Rs. 1,458 lakhs to Rs. 11,375 lakhs. And profits after taxes (PAT) turned positive at Rs. 123 lakhs, compared to a loss of Rs. 4,060 lakhs during the previous year.

This improvement in the bottomline can be largely attributed to the effects of the 'Look Within' initiatives that AIS adopted from 2008-09 onwards. In the last year, AIS had embarked on series of initiatives to maximise efficiencies, cut costs and improve productivity in all its plants. The effects of these initiatives are reflected in AIS's middle line, where material and fuel costs have reduced as a percentage of sales from 52.74% of sales to 50.94% of sales. Other fixed operating expenses have also been optimised and have consequently reduced by 9.5% over the last year. AIS plans to continue its efforts to reduce costs through process efficiencies, productivity increases and value engineering activities.

What measures are being taken by AIS to address the upsurge of demand in the automotive industry?

Automotive sales in India have been trending upwards every month since the last few months. This upsurge is good for AIS and has positive implications on AIS Auto SBU. We are looking at enlarging our offerings and deepening our relationship with existing automobile manufacturers as well as by acquiring new customers. During the year, AIS Auto Glass made considerable inroads into the commercial vehicles segment (Bus, LCVs etc); the response has been very good so far. We expect to continue to this momentum.

I take immense pride in declaring that during the previous year, AIS was chosen by Volkswagen, as the only Indian supplier for their automotive glass requirements in India. Among our existing customers, we have been at the forefront of supplying automotive glass products not only for their existing models but also for the new models that they have launched during the year. Our continuing and expanding relationship with all our customers is testimony to our engineering skills, passion for quality and deep commitment to ensuring customer satisfaction in our product offerings.

At our Auto SBU plants, we are undertaking routine capital investments keeping certain key objectives and caveats in mind. We are working with a three-fold strategy. All our capital investments continue to be geared for further maximising our production efficiencies and throughput. Once that is assured, we focus on de-bottlenecking the production lines with minimal capex and investments are being undertaken that enable the SBU to increase its output capacities without any significant incremental capital outlay. Having done both the above, we undertake brown-field expansion and that too ensuring that the capital output ratio is substantially increased. Moreover, a number of quality activities have also been implemented in order to minimise rejections. All of these initiatives are geared towards ensuring sufficient supply to our customers' increasing volumes and increasing our asset turnover capabilities, without having to spend excessively.

We are also keenly watching the auto growth developments in the Indian market and may explore opportunities for further capacity expansion at an opportune time to ensure that we continue to stand true to the expectation of our esteemed customers.

What is your strategy to bring in further operating efficiencies?

At AIS, we believe that there is always room for improvement and improvisation to bring about better efficiencies and greater throughput. Improving operating efficiencies has been a key focus area for AIS - more so after the recent turbulence. I believe that profit maximisation cannot be achieved by topline growth alone - it needs simultaneous focus on containing and reducing the middle line wherever possible. And we keep on exploring areas and implementing measure through which costs can be pruned without impacting operations and quality.

During 2008-09, AIS undertook the 'Look Within' programme: the results are clearly reflected in the reduction of the Company's fixed operating costs. For example, the Taloja plant of AIS Float SBU has now stabilised production after switching over to natural gas as its primary fuel source; this is expected to generate continuing savings in production cost. Supply chain activities are also being re-examined in order to optimise efficiencies. Quality initiatives are geared to reduce waste and rejections, thereby increasing production. These initiatives will continue and are expected to bear a positive outcome in this year as well.

How is AIS planning to manage its borrowings, interest cost and cash flow?

As on 31st March, 2010, the Company's total loan obligations stood at Rs. 147,063 lakhs; this is about 9% lower than the figure as on 31st March, 2009 (Rs. 161,730 lakhs). This has resulted partially from repayment of term borrowings out of internal accruals during the year and partially due to appreciation of Rupee vis-a-vis dollar. Net cash flow from operating activities have also improved from Rs. 2,557 lakhs in the previous year to Rs. 9,666 lakhs in 2009-10. These are reflections of AIS's efforts at maximising operational efficiencies. Simultaneously, the Company has converted some of its high cost loans to lower cost obligations, thus reducing future interest costs. Efforts to further reduce borrowings resulting from operational activities and interest costs by negotiating with the lenders shall continue during the current year; it is expected that the Company's loan portfolio will be optimised in the near future, after taking into consideration its needs to service an expanding market.

What are the new projects that AIS is looking forward to?

We are examining an expansion in the auto segment to continue to meet the expectations of our customers. Our routine expansions and upgradations however continue as usual. To expand our automotive glass offerings deeper into the commercial vehicles segment, we expect to invest into some more expansion, mainly for larger furnaces and complex equipment.

There are also some other 'low investment, high value add' projects in the float and architectural glass segments that we are studying. These will enable us to complete our product offerings and also move closer to the end consumer.

What is your future outlook for AIS?

AIS underwent a rough time during last two years, some of it were for reasons beyond our control. The worst, however, now seems to be behind us; also, there have been valuable learnings from this period. 2009-10 was the year when things changed for AIS; simultaneously, the external environment and other economic fundamentals have also improved. The Company, through its 'Look Within' programme, has undertaken numerous initiatives that have improved efficiencies and reduced costs. Now, we have the optimal energy mix, value-added product portfolio mix which coupled with enhanced internal efficiencies, are bringing in positive results.

The latest Index of Industrial Production (IIP) figures show a 17.4% growth in manufacturing, which is a very healthy sign for the economy. As industrial production grows, construction, retail, healthcare and hospitality segments are also expected to grow apace. Architects and project developers have started to appreciate the myriad ways that glass can be put to use in different types of buildings and constructions; hence, demand for 'value-added glass' is expected to grow substantially. AIS is looking at all opportunities to tap the 'value-added' segment of glass demand in India, not just as a product provider, but as a end-to-end solution provider.

The first few months of 2010-11 point to increasing economic growth, though inflation remains a worry, as does the increasing cost of fuel. Demand for automobiles have been growing rapidly and the construction sector is also showing signs of returning to the growth path. I expect that in 2010-11, India's GDP growth will be on track to reach 8.5% or even higher.

At AIS, we have put in place the mechanisms to generate maximum benefits from our production processes, customer relationships and knowledge base. I expect that the year ahead will see the Company moving towards a brighter, newer horizon of growth and profitability.



Report of the Directors

To the Members,

The Directors are pleased to present their 25th Report along with the audited accounts of the Company for the year ended 31st March, 2010.

Financial Performance

	(Rs. Lakhs)	
	2009-10	2008-09
Gross Turnover	1,42,971	1,35,398
Net Turnover	1,26,273	1,21,821
Other Income	3,385	1,154
Total Income	1,29,658	1,22,975
Operating Profit (PBDIT)	25,052	14,206
Gross Profit (PBDT)	12,269	1,773
Profit/(Loss) Before Tax	(179)	(9,576)
Profit/(Loss) After Tax	123	(4,060)
Balance Carried to Balance Sheet	6,333	6,210

Performance Overview

The performance of the Company during 2009-10 was well on the projected recovery track. The strong macro environment, especially the huge upsurge of demand in the automotive sector, has further helped your Company to gather stronger momentum. Further the 'Look Within' initiatives of the management also resulted in generating greater operating efficiencies.

As a result of the above, in 2009-10 the net sales of the Company increased 3.65% from Rs. 1,21,821 lakhs in 2008-09 to Rs. 1,26,273 lakhs in 2009-10. Operating profit has increased 76.35% from Rs. 14,206 lakhs in the previous year to Rs. 25,052 lakhs in 2009-10. The Company posted profit after tax (PAT) of Rs. 123 lakhs as against a loss of Rs. 4,060 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 two subsidiaries of your Company – AIS Glass Solutions Ltd. and Integrated Glass Materials Ltd. carried on smooth operations during the year. Integrated Glass Materials Ltd. is in the process of ramping up its operations.

In terms of approval granted by the Central Government 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 the subsidiaries of your Company - AIS Glass Solutions Limited ("GS") and Integrated Glass Materials Limited ("IGML"), 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 and IGML 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 both the subsidiary companies, as directed by the Central Government in its above exemption, is attached along with statement as required under section 212 of the Companies Act, 1956.

This approval was solely sought for the purpose of substantial savings on 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 the investors seeking such information at any point of time. Further the annual accounts of the subsidiary companies are kept open for inspection by investors at the Corporate Office of AIS as well as at 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 request. Further, the Company regularly files such data to the various regulatory and government authorities as required.

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

Awards

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

From	Award
Maruti Suzuki India Ltd.	Certificate of Appreciation
	Vendor Performance Award (Gold Category)
	Manufacturing Excellence Award
Toyota Kirloskar Motors Ltd.	Achieving Target of Quality
	Achieving Target of Delivery
Whirlpool of India Ltd.	Best Supplier Award (Gold Category)
Tata Motors Ltd.	Cost Efficiency Award
Mahindra & Mahindra Ltd.	First Prize for Lowest PPM
	First Prize for Best Delivery/Logistics
Automotive Components Manufacturers Association (ACMA)	Excellence Award Bronze Medal

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 2009-10, your Directors have not recommended any dividend for the financial year 2009-10.

Directors

During the year, the existing tenure of Mr. Keizaburo Kojima, Whole-time Director of the Company, nominated by Asahi Glass Co. Ltd. (AGC), Japan expired on 11th August, 2009. Consequent thereto, AGC nominated Mr. Hideaki Nohara as Whole-time Director on the Board of Directors of the Company, being designated as Dy. Managing Director & C.T.O. (Auto). Accordingly, Mr. Nohara has been appointed as Whole-time Director on the Board of the Company in place of Mr. K. Kojima with effect from 12th August, 2009.

The above has been duly approved by the Shareholders of the Company by way of passing special resolution through the Postal Ballot on 9th October, 2009. Further, your Company has already applied for the requisite approval under the provisions of the Companies Act, 1956 to the Central Government to this effect.

Pursuant to the provisions of Section 260 and Article 73 of the Articles of Association of the Company, Mr. Nohara 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. Hideaki Nohara as Director of the Company.

Consequent upon resignation of Mr. Masayuki Kamiya from the Board of Directors of the Company with effect from 21st January, 2010, AGC has nominated Mr. Marehisa Ishiko as Director in place of Mr. Masayuki Kamiya. Mr. Ishiko was appointed as Additional Director of the Company on the Board of Directors of the Company with effect from 21st January, 2010.

The Board places on records, its sincere appreciation for valuable contributions of the Directors who resigned during the year.

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, Dr. Surinder Kapur, Mr. Rahul Rana and Mr. Shinzo Nakanishi, Directors, are liable to retire by rotation at the ensuing 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 Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company has paid the requisite listing fee to the Stock Exchanges for the financial year 2010-11.

Directors' Responsibility Statement

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

- in the preparation of annual accounts for the financial year ended 31st March, 2010, 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, 2010 and of the profit/loss for the period from 1st April, 2009 to 31st March, 2010.
- 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, 2010 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.

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.

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.

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 Members.

On behalf of the Board of Directors

Place : Gurgaon
Dated : 14th May, 2010

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, 2010

Form – A

Conservation of Energy

Power and Fuel Consumption		Units	2009-10	2008- 09
1.	Electricity Purchased (KWH)	Units	11,88,39,837	10,04,54,924
	Total Amount	Rs. Lakhs	5,702	4,421
	Rate Per Unit	Rs.	4.80	4.40
2.	Captive Generation			
	D.G. Sets (KWH)	Units	5,39,66,655	4,66,08,777
	Total Amount (Fuel, Mobil Oil & additives)	Rs. Lakhs	3,262	3,095
	Rate Per Unit	Rs.	6.04	6.64
3.	HSD Consumption	Ltrs.	12,64,467	11,08,898
	Total Amount	Rs. Lakhs	382	352
	Rate Per Litre	Rs.	30.24	31.72
4.	HFO Consumption	Ltrs.	6,41,80,883	5,14,59,406
	Total Amount	Rs. Lakhs	14,340	13,862
	Rate Per Litre	Rs.	22.34	26.94
5.	Natural Gas	MMBTU	9,29,878	-
	Total Amount	Rs. Lakhs	2,760	-
	Rate Per MMBTU	Rs.	296.86	-
6.	SKO Consumption (Kerosene Oil)	Ltrs.	33,960	66,510
	Total Amount	Rs. Lakhs	9	23
	Rate Per Litre	Rs.	25.86	35.29
7.	LSHS Consumption	Kgs.	-	2,83,32,190
	Total Amount	Rs. Lakhs	-	7,168
	Rate Per Kg.	Rs.	-	25.30

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

AIS Auto Glass

- Replacement of halogen lamps (500watts) with CFL's (100watts).
- Replacement of outdoor lights from 400W mercury lamps to T5 assemblies of 92W each.
- Glass grinding motors on CNC lines replaced from 3.7KW to 2.0 KW.
- Air washer motor replaced by high efficiency motor.

AIS Float Glass

- Optimization of bath heater power.
- Reduction in compressed air consumption.
- Elimination of fuel heating system.

Consumption Per Unit of Production

AIS Auto Glass

Energy consumption per square metre production of auto glass 15.51 KWH (17.16).

AIS Float Glass

Energy consumption per converted square meter

production of float glass was as under :

- Electricity Consumption (KWH) - 0.71 (0.66)
- Furnace oil Consumption (Litres) - 0.90 (0.65)
- Natural Gas Consumption (mmbtu) - 0.02 (Nil)
- LSHS Consumption (Kg) - Nil (0.24)

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 & spare parts, traded and finished goods amounted to Rs. 23,047 lakhs (Rs. 23,416 lakhs). Other expenditure in foreign currency amounted to Rs. 16,504 lakhs (Rs. 10,527 lakhs). Earnings in foreign currency amounted to Rs. 9,403 lakhs (Rs. 13,684 lakhs).

(Figures in brackets pertain 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 chapter 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 two Executive (Whole-time) Directors.

Composition of the Board

The Board comprises of ten Directors, out of which seven Directors are Non-Executive Directors. The Company has a Non-Executive Chairman.

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 2009-2010, the Board of Directors of the Company met four 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	27 th May, 2009	10	6*
2	28 th July, 2009	10	7
3	29 th October, 2009	10	6*
4	21 st January, 2010	10	8*

* Excluding the participation of Mr. M. Kamiya, Director, who usually attend the meeting through video conferencing from Brussels.

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, 2010 are given below :

Name of the Directors	Category	Attendance Particulars			Outside Directorships, Committee Memberships and Chairmanships		
		Number of Board Meetings		Last AGM	Directorships ¹	Committee Memberships ²	Committee Chairmanships ²
		Held	Attended				
Mr. B. M. Labroo (Chairman)	Promoter Non-executive	4	4	Yes	4	1	-
Mr. S. Labroo (Managing Director & C.E.O)	Promoter Executive	4	4	Yes	10	2	-
Mr. K. Kojima ³ [Dy. Managing Director & C.T.O. (Auto)]	Promoter Executive	4	2	Yes	N.A.	N.A.	N.A.
Mr. H. Nohara ³ [Dy. Managing Director & C.T.O. (Auto)]	Promoter Executive	4	2	N.A.	1	-	-
Mr. M. Kamiya ⁴	Promoter Non-executive	4	1	Yes	N.A.	N.A.	N.A.
Mr. M. Ishiko ⁴	Promoter Non-executive	4	0	N.A.	-	-	-
Dr. S. Kapur	Independent	4	1	No	9	2	2
Mr. K. Nakagaki	Independent	4	3	Yes	-	-	-
Mr. S. Nakanishi	Promoter Non-executive	4	1	No	5	3	-
Mr. R. Rana	Independent	4	4	Yes	-	-	-
Mr. G. Thapar	Independent	4	2	No	12	3	2
Mr. A. Singh President (Glass)	Executive	4	3	Yes	5	-	-

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. K. Kojima resigned from the Board w.e.f. 11th August, 2009 and Mr. H. Nohara has been appointed as Whole-time Director of the Company in his place w.e.f. 12th August, 2009.
4. Mr. M. Kamiya resigned from the Board and Mr. M. Ishiko has been appointed as a Director of the Company in his place w.e.f. 21st January, 2010.

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. do not own 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 held by Non-Executive Directors

Mr. B. M. Labroo, Dr. S. Kapur, Mr. R. Rana and Mr. G. Thapar held 1,37,83,920 equity shares, 19,940 equity shares, 10,000 equity shares and 56,000 equity shares, respectively as on 31st March, 2010. 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 2009-2010.

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

Committees of the Board

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

Details regarding the role and composition of the Board Committees, including the number of meetings held during the financial year 2009-2010 and the attendance of the members are provided below :

Audit Committee

The composition of Audit Committee comprises three Non-Executive Directors, all of them being Independent Directors with accounting and financial management expertise.

The Audit Committee met four times during the financial year on 6th May, 2009, 28th July, 2009, 29th October, 2009 and 21st January, 2010. 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	1
Mr. R. Rana ¹	Independent	Member	4	3
Mr. A. Singh ²	Executive	Member	4	1
Mr. G. Thapar	Independent	Member	4	4

1. Appointed as a member w.e.f. 27th May, 2009.

2. Ceased to be a member w.e.f. 27th May, 2009.

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

Mr. Gopal Ganatra, Head – Legal & Company Secretary acts as the Secretary to the Audit Committee.

The functions of the Audit Committee include the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements before submission thereof to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of Statutory & Internal Auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors 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;
- 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 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, Head - Legal & Company Secretary acts as the Secretary to the Remuneration Committee.

The Committee met two times during the financial year on 6th May, 2009 and 20th July, 2009. 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	2	2
Dr. S. Kapur	Independent	Member	2	2
Mr. K. Kojima ¹	Promoter, Executive	Member	2	0
Mr. H. Nohara ²	Promoter, Executive	Member	N. A.	N. A.
Mr. B. M. Labroo	Promoter, Non- Executive	Member	2	2
Mr. R. Rana ³	Independent	Member	2	1

1. Ceased to be member w.e.f 11th August, 2009.
2. Appointed as a member w.e.f. 12th August, 2009.
3. Appointed as a member w.e.f. 27th May, 2009.

During the financial year 2009-2010, 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 from 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.

Since the Company has inadequate profits in the financial year 2009-10 no amount has been paid as commission to the Directors.

The details of remuneration paid/payable to the Directors for the financial year 2009-2010 are given below :

Name of Directors	Sitting Fees (Rs.)	Salary, Allowances and Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. B. M. Labroo	1,20,000	NIL	NIL	1,20,000
Mr. S. Labroo	N.A.	9,28,907	NIL	9,28,907
Mr. K. Kojima ¹	N.A.	11,35,919	NIL	11,35,919
Mr. H. Nohara ¹	N.A.	12,86,552	NIL	12,86,552
Mr. M. Kamiya ²	20,000	NIL	NIL	20,000
Mr. M. Ishiko ²	NIL	NIL	NIL	NIL
Dr. S. Kapur	80,000	NIL	NIL	80,000
Mr. S. Nakanishi	20,000	NIL	NIL	20,000
Mr. R. Rana	1,60,000	NIL	NIL	1,60,000
Mr. G. Thapar	1,60,000	NIL	NIL	1,60,000
Mr. K. Nakagaki	60,000	NIL	NIL	60,000
Mr. A. Singh	N.A.	30,57,121	NIL	30,57,121

1. Mr. K. Kojima resigned w.e.f. 11th August, 2009 and Mr. H. Nohara has been appointed in his place w.e.f. 12th August, 2009.

2. Mr. M. Kamiya resigned and Mr. M. Ishiko has been appointed in his place w.e.f. 21st January, 2010.

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 twelve times during the financial year 2009-2010. The composition and attendance of the Shareholders'/Investors' Grievance Committee are as under :

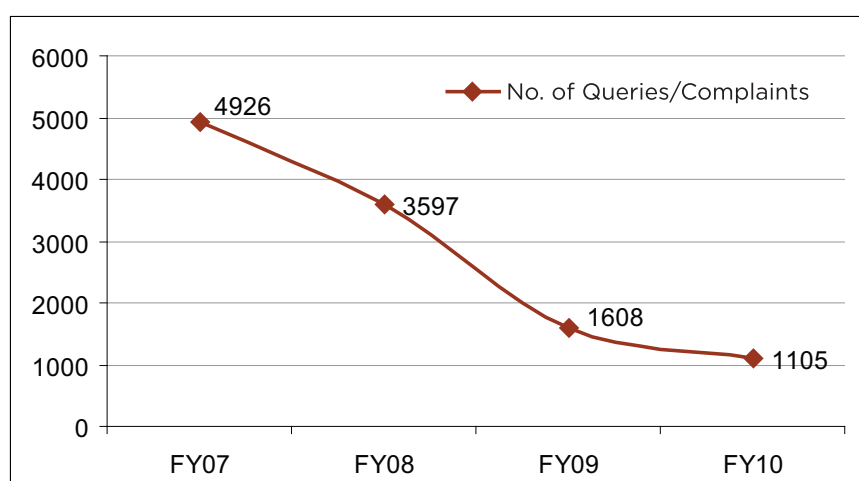
Name of Members	Category	Status	Number of Meetings	
			Held	Attended
Mr. B. M. Labroo	Promoter, Non- Executive	Chairman	12	6
Mr. S. Labroo	Promoter, Executive	Member	12	12
Mr. A. Singh	Executive	Member	12	12

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	289	102	617	95	2	1105
Attended during the year	289	102	617	95	2	1105
Pending as on 31 st March, 2010	-	-	-	-	-	-

Given below is a chart showing reduction in investor's queries/complaints over the last few years :



Compliance Officer

Mr. Gopal Ganatra has been appointed by the Board of Directors as Head - Legal & Company Secretary and Compliance Officer of the Company w.e.f. 9th November, 2009 for complying with the requirement of Companies Act, SEBI Regulation and the Listing Agreement with the Stock Exchanges.

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 (Prevention of Insider Trading Regulations), 2002, 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 of Directors

During the financial year 2009-10, Mr. Hideaki Nohara has been appointed as Additional Director on the Board of Directors of the Company in the capacity of Whole-time Director, for a period of 4 years w.e.f. 12th August, 2009, consequent to the resignation of Mr. Keizaburo Kojima due to completion of his tenure.

Further, Mr. Masayuki Kamiya has resigned from the Board of Directors of the Company w.e.f. 21st January, 2010 and on his place Mr. Marehisa Ishiko has been appointed as Additional Director in the capacity of Non-executive Director on the Board of Directors w.e.f. 21st January, 2010.

Brief particulars of Mr. Hideaki Nohara and Mr. Marehisa Ishiko are as under :

Mr. Hideaki Nohara, aged 55 years is a Graduate in Metal Engineering from Tohoku University, Japan. Mr. Nohara joined AGC, in the 1977 and has held various senior positions during his career of 32 years with AGC. Prior to his joining AIS, Mr. Nohara was working as Manager - Production Planning & Control Unit at Central Office of AGC since 2001.

Mr. Marehisa Ishiko, aged 52 years holds a Masters degree in Chemical Engineering from Yokohama National University, Japan. Mr. Ishiko joined AGC in April, 1982 and has held various senior positions during his current tenure of 28 years with AGC. Mr. Ishiko is currently the Senior Executive Officer, Regional President of Japan / Asia Pacific, Glass Company, AGC.

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, Dr. Surinder Kapur, Mr. Rahul Rana and Mr. Shinzo Nakanishi, 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 Dr. Surinder Kapur, Mr. Rahul Rana and Mr. Shinzo Nakanishi are as under :

Dr. Surinder Kapur, aged 66 years, has done his Doctorate in Mechanical Engineering from Michigan State University, USA. He also holds an M.S. and a B.S. in Engineering from USA. Dr. Kapur joined the Board of Directors of AIS in December, 1988.

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

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

Mr. Rahul Rana, aged 47 years, holds an M.B.A. degree from the University of Illinois at Urbana Champaign, USA and a B.S. in Finance from S.R.C.C., University of Delhi. He is the Chief Executive Officer of Fuller Capital Management. He has also been the President of BSG Markets (Broad Street Group) where he was responsible for the structured finance and asset securitisation businesses. Previously, over a span of 10 years, he was the co-head of the structured products group at UBS Warburg Dillon Read and Kidder Peabody. He started his career at Salomon Brothers where he was instrumental in starting the Global Asset Swap business. Mr. Rana has been a member of the Board of Directors of AIS since 2005.

Mr. Shinzo Nakanishi, aged 62 years, is a Law Graduate from Doshisha University and is currently the Managing Director & C.E.O. of Maruti Suzuki India Limited (MSIL). He has been associated with Suzuki Motor Co. Ltd., since 1971 and has held various senior positions. Prior to his appointment as Managing Director & C.E.O. of MSIL, Mr. Nakanishi was the Chairman of MSIL since May, 2002.

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 30 th June, 2009	29 th July, 2009
Unaudited financial results for the second quarter and the half year ended 30 th September, 2009	30 th October, 2009
Unaudited financial results for the third quarter and the nine months ended 31 st December, 2009	22 nd January, 2010
Audited financial results for the fourth quarter and the year ended 31 st March, 2010	15 th May, 2010

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
2008-09	Tuesday, 28 th July, 2009	3:00 p.m.	Air Force Auditorium, Subroto Park, New Delhi - 110 010	Yes
2007-08	Wednesday, 30 th July, 2008	3:00 p.m.	Air Force Auditorium, Subroto Park, New Delhi - 110 010	Yes
2006-07	Wednesday, 25 th July, 2007	3:30 p.m.	Air Force Auditorium, Subroto Park, New Delhi - 110 010	No

Postal Ballot

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

1. To alter the Object Clause in the Memorandum of Association of the Company;
2. To appoint Mr. Hideaki Nohara as Whole-time Director of the Company for a period of 4 years w.e.f. 12th August, 2009.

Procedure of Postal Ballot

A Postal Ballot Form was sent to all the members along with Notice dated 28th July, 2009 and the Explanatory Statement pursuant to section 173(2) of the Companies Act, for obtaining the approval of the members.

The Board of Directors appointed Mr. Sanjay Grover, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise in fair and transparent manner.

Members were requested to carefully read the instructions appearing in the Postal Ballot Form record their assent or dissent therein and return said Form duly completed, in original, in the attached postage pre-paid envelop so as to reach the Scrutinizer on or before 6th October, 2009.

Upon the receipt and completion of the scrutiny of the Forms, the Scrutinizer submitted his report to the Chairman of the Board.

The Results of the Postal Ballot were announced by the Chairman of the Company on 9th October, 2009. Summary of the results is as follows :

Particulars	No. of Postal Ballot Forms	No. of Shares	Percentage of Total Paid-up Equity Capital
Resolution No. 1 : Alteration in the Objects Clause			
Total Postal ballot Forms received	64	7,87,22,984	49.2241432
Less: Invalid Postal Ballot Forms	3	1,238	0.0007741
Net Valid Postal Ballot Forms	61	7,87,21,746	49.2233691
Assent (Out of Valid Postal Ballots)	60	7,87,21,672 (99.999906%)	49.2233228
Dissent (Out of Valid Postal Ballots)	1	74 (0.000094%)	0.00004627
Resolution No. 2 : Appointment of Mr. Hideaki Nohara as Whole-time Director			
Total Postal Ballot Forms received	64	7,87,22,984	49.2241432
Less: Invalid Postal ballot Forms	3	1,238	0.0007741
Net Valid Postal Ballot Forms	61	7,87,21,746	49.2233691
Assent (Out of Valid Postal Ballots)	60	7,87,21,696 (99.999936%)	49.2233378
Dissent (Out of Valid Postal Ballots)	1	50 (0.000064%)	0.0000312

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

Compliance

Mandatory Requirements

As on 31st March, 2010 the Company is compliant with the all applicable mandatory requirements of Clause 49 of the Listing Agreement except sub Clause I of said Clause i. e. Composition of the Board. The Company is in the discussions with some eminent business leaders or professionals with proposal to join as Independent Directors on the Board of the Company and a formal closure is expected soon.

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	:	28 th July, 2010
Time	:	3:00 p.m.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar

Financial Year	:	1 st April to 31 st March
For the year ended 31 st March, 2010, results were announced on :		
First quarter	:	28 th July, 2009
Second quarter	:	29 th October, 2009
Third quarter	:	21 st January, 2010
Fourth quarter and annual	:	14 th May, 2010

For the year ending 31st March 2011, results will be announced by :

First quarter	:	End July, 2010
Second quarter	:	End October, 2010
Third quarter	:	End January, 2011
Fourth quarter and annual	:	End April, 2011 / May, 2011

Book Closure

The dates of book closure	:	24 th July, 2010 to 28 th July, 2010 (both days inclusive)
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Dividend	:	No dividend has been recommended for the financial year 2009-10
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Listing	:	Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE)
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Stock Codes

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

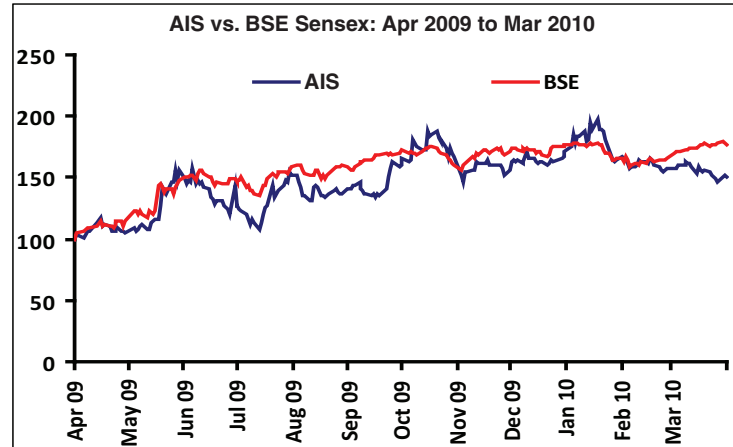
Listing Fees	:	The listing fee for the financial year 2010-11 has been paid to BSE and NSE.
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Shareholders' Issues	:	The Shareholders may send their queries to the e-mail address - investorrelations@aisglass.com , proactively managed by the Company, under the Investor Relations section of Company's website.
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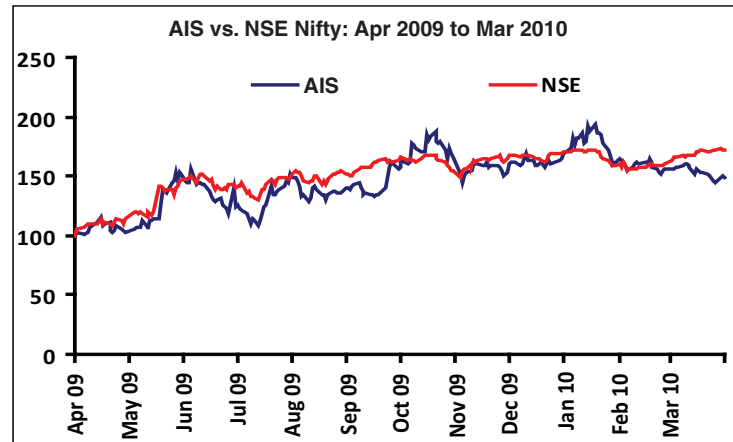
Analysts	:	Analysts may schedule their conference calls and meetings with Mr. Shailesh Agarwal, Chief Financial Officer and Mr. Gopal Ganatra, Head – Legal & Company Secretary through the e-mail address- analysts@aisglass.com , under the Investor Relations section of the website of the Company.
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Stock Market Data

AIS's Share Performance versus BSE Sensex :



AIS's Share Performance versus NSE Nifty :



Note : AIS share price, BSE Sensex and NSE Nifty are indexed to 100 as on 1st April, 2009.

Monthly high and low share price (in Rs. per share) of AIS for 2009-10 at BSE and NSE :

Month	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr - 2009	47.00	36.05	48.00	37.05
May - 2009	63.90	39.15	63.80	41.00
Jun - 2009	65.45	45.05	65.85	46.00
Jul - 2009	62.90	42.70	62.95	42.85
Aug - 2009	61.00	51.00	60.50	51.00
Sep - 2009	67.80	52.10	68.00	52.40
Oct - 2009	78.20	61.60	78.40	61.50
Nov - 2009	66.50	57.00	66.50	57.25
Dec - 2009	69.90	61.25	69.70	61.80
Jan - 2010	79.25	62.50	79.80	62.50
Feb - 2010	67.75	60.25	67.85	58.05
Mar - 2010	66.50	57.35	66.30	57.40

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

Distribution of Shareholding as on 31st March, 2010

Categories (No. of Shares)	Total No. of Shareholders	Percentage	Total No. of Shares held	Percentage
1 – 5000	59,414	98.25	1,08,04,617	6.76
5001 – 10,000	578	0.96	44,47,629	2.78
10,001 – 20,000	194	0.32	28,47,926	1.78
20,001 – 30,000	63	0.10	15,97,851	0.99
30,001 – 40,000	39	0.07	13,86,229	0.87
40,001 – 50,000	20	0.03	9,23,277	0.58
50,001 – 100,000	55	0.09	40,84,009	2.55
1,00,001 and above	110	0.18	13,38,36,048	83.69
TOTAL	60,473	100	15,99,27,586	100

Shareholding Pattern as on 31st March, 2010

	Category	As on 31 st March, 2010	
		Total No. of shares	Percentage
A.	Promoters' Holding		
1	Promoters		
	Indian Promoters	4,85,21,108	30.34
	Foreign Promoters	3,97,68,000	24.87
2	Persons Acting in Concert	NIL	NIL
	Total	8,82,89,108	55.21
B.	Non-Promoters' Holding		
3	Institutional Investors		
a.	Mutual Funds and UTI	25,97,187	1.62
b.	Banks, Financial Institutions, Insurance Companies	1,42,031	0.09
c.	FIs	3,45,825	0.22
	Total	30,85,043	1.93
4	Others		
a.	Private Corporate Bodies	2,66,20,367	16.65
b.	Indian Public	3,78,94,141	23.7
c.	NRIs / OCBs	39,25,713	2.45
d.	Directors & Relatives (not in control of the Company)	1,06,940	0.07
e.	Trusts	6,274	0.004
	Total	6,85,53,435	42.86
	Grand total	15,99,27,586	100

Dematerialisation of Shares

The shares of the Company are in the compulsory demat segment. Secretarial Audit Report for reconciliation of the share capital 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, 2010.

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 with CDSL	73,51,495	4.60
2.	Shares held in dematerialized form with NSDL	10,59,48,572	66.25
3.	Shares held in physical form	4,66,27,519	29.15
	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 Agent (RTA) namely, Link Intime India Private Limited can be contacted at the following addresses :

Link Intime India Private Limited (Mumbai)
(Formerly Intime Spectrum Registry Limited)
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)
(Formerly Intime Spectrum Registry Limited)
A-40, 2nd Floor,
Naraina Industrial Area, Phase - II,
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' / Investor 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, 2010 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 the number of independent directors in the composition of the Board is less than the stipulated members as per clause 49(1)(A)(ii) of the Listing Agreement.

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

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

For **JAGDISH SAPRA & CO.**
Chartered Accountants
(Registration No. 001378N)

Place: New Delhi
Dated: 14th May, 2010

JAGDISH SAPRA
Partner

Auditors' Report

To the Members,

ASAHI INDIA GLASS LIMITED

1. We have audited the attached Balance Sheet of Asahi India Glass Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, and attached thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

Jagdish Sapra
Partner
M. No. 9194

Place: New Delhi
Dated: 14th May, 2010

Annexure to the Auditors' Report

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

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

- been commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company for manufacture of Automotive Glass pursuant to the Rules made by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- ix. a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been 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. 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.
- 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 :
- x. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in term loan repayment of dues to banks. The Company has not obtained any borrowings by way of debentures or from any financial institutions as defined in para 22 of the Order.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or nidhi/mutual benefit fund/society and hence paragraph 4(xiii) of the Order is not applicable to the Company.
- xiv. As the Company is not dealing in or trading in shares, securities, debentures and other investments hence paragraph 4(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.

Name of The Statute	Nature of dues	Amount (Rs. Lakhs)	Forum where the dispute is pending
The Central Excise Act	Excise Duty	312	Supreme Court of India /Custom & Central Excise Settlement Commission
The Central Excise Act	Excise Duty	866	Joint/Assistant/Commissioner Central Excise
The Custom Act, 1962	Custom Duty	1606	Deputy Commissioner Of Customs
Wealth Tax Act	Wealth Tax	10	Wealth Tax Officer
Sales Tax Act	Sales Tax/VAT	968	Maharashtra Sales Tax Tribunal, Mumbai

- 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 no funds raised on short term basis 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.**
Chartered Accountants
(Registration No. 001378N)

Jagdish Sapra
Partner
M. No. 9194

Place : New Delhi
Dated: 14th May, 2010

Balance Sheet

Rs. Lakhs					
Schedule		As at 31 st March, 2010		As at 31 st March, 2009	
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	1	1599		1599	
b) Reserves and Surplus	2	18722	20321	18599	20198
2. Loan Funds					
a) Secured Loans	3	122815		128423	
b) Unsecured Loans	4	24248	147063	33307	161730
3. Foreign Currency Monetary Item Translation					
Difference Account (Schedule 15, Note 12)		126		—	
Total		167510		181928	
APPLICATION OF FUNDS					
1. Fixed Assets	5				
a) Gross Block		200500		205864	
b) Less : Accumulated Depreciation and Amortisation		83189		70896	
c) Net Block		117311		134968	
d) Capital Work-in-Progress (Schedule 15, Note 16)		5274		4222	
e) Impaired Assets held for disposal		125	122710	119	139309
2. Investments	6	699		639	
3. Current Assets, Loans and Advances					
Current Assets					
a) Inventories		31920		35038	
b) Sundry Debtors		18070		17610	
c) Cash and Bank Balances etc.		1218		1687	
d) Other Current Assets		1362		1314	
Loans and Advances					
	8	10825		10800	
		63395		66449	
Less : Current Liabilities and Provisions					
a) Current Liabilities	9	21507		27716	
b) Provisions		484		399	
		21991		28115	
Net Current Assets		41404		38334	
4. Deferred Tax Assets (Net) (Schedule 15, Note 13)		2697		2408	
5. Foreign Currency Monetary Item Translation					
Difference Account		—		1238	
Total		167510		181928	
Notes to the Accounts		15			
The Schedules referred to above form an integral part of the Balance Sheet					

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

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Profit and Loss Account

		Rs. Lakhs	
	Schedule	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
INCOME			
Turnover and Inter Division Transfers		142971	135398
Less : Inter Division Transfers		10003	5120
Turnover		132968	130278
Less : Excise Duty		6695	8457
Net Turnover		126273	121821
Other Income	10	3385	1154
		129658	122975
EXPENDITURE			
Materials and Manufacturing	11	78068	76754
Personnel	12	8956	8225
Selling, Administration and Others	13	17497	23717
Interest	14	12783	12433
		117304	121129
Profit Before Depreciation and Tax		12354	1846
Depreciation and Amortisation		(12448)	(11349)
Reversal of Impairment Loss		10	14
Prior Period Adjustments (Net)		(95)	(87)
(Loss) Before Tax		(179)	(9576)
Provision for Taxation			
Current Tax		(7)	(7)
Deferred Tax Asset (Net)		289	5672
Fringe Benefit Tax		–	(105)
Profit/(Loss) After Tax		103	(4016)
Taxation Adjustment of earlier years		20	(44)
Balance Brought Forward		6210	10270
Balance Carried to Balance Sheet		6333	6210
Earnings Per Share - Basic and Diluted (Rs.)		0.08	(2.54)
(Schedule 15, Note 19)			
Notes to the Accounts	15		

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

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Schedules to the Accounts

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
500000000 Equity Shares of Re. 1 each	5000	5000
600000 Preference Shares of Rs. 100 each	600	600
9000000 Preference Shares of Rs. 10 each	900	900
	6500	6500
Issued, Subscribed and Paid Up		
159927586 Equity Shares of Re. 1 each fully paid *	1599	1599
Note :		
* Of the above, 135463793 Shares are allotted as fully paid bonus shares by capitalisation of General Reserve.		

SCHEDULE 2 : RESERVES AND SURPLUS

Amalgamation Reserve		
As per last Balance Sheet	637	637
Capital Reserve		
As per last Balance Sheet		
Central Investment Subsidy	15	15
D. G. Set Subsidy	7	7
Capital profit on reissue of forfeited shares	1 23	1 23
Capital Redemption Reserve		
As per last Balance Sheet	1395	1395
General Reserve		
As per last Balance Sheet	10334	15521
Less : Adjustment of Exchange Rate Difference	– 10334	5187 10334
Surplus in Profit and Loss Account	6333	6210
	18722	18599

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 3 : SECURED LOANS		
Banks		
Working Capital	33461	45370
Foreign Currency Term Loans	51394	69148
Rupee Term Loans	37410	122265
Others		
Loan from Distt. Industries Centre, Government of Haryana (Interest Free)	550	905
	122815	128423

Notes :

1. Working Capital Loans are secured by way of first charge on the current assets of the Company, both present and future.
2. Foreign Currency Term Loans from banks are secured by way of first pari-passu charge on specified movable and immovable assets (Installed/yet to be installed) of the Company.
3. Rupee Term Loans of Rs. 31018 Lakhs are secured by first pari-passu charge on fixed assets of plant at Rewari, Chennai, T-16 and T-7 Taloja and also equitable mortgage of landed property at Rewari and T-7 Taloja. The balance being Short Term Loan of Rs. 6392 Lakhs are secured by way of subservient charges on fixed assets of plant at Rewari, Roorkee and Chennai.
4. Loan from Distt. Industries Centre is secured by way of first pari-passu charge on fixed assets of plant at Rewari.

SCHEDULE 4 : UNSECURED LOANS

Short Term Loans From Banks	2813	9094
Foreign Currency Loan	21435	24213
	24248	33307

SCHEDULE 5 : FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation				Net Block		
	As at 1 st April, 2009	Additions	Deductions	As at 31 st March, 2010	As at 1 st April, 2009	For the Year	Deductions	As at 31 st March, 2010	As at 31 st March, 2010	As at 31 st March, 2009
Tangible Assets										
Freehold Land	1814	—	—	1814	—	—	—	—	1814	1814
Leasehold Land	1474	—	26	1448	208	15	4	219	1229	1266
Buildings	36695	(1901)	226	34568	4602	1017	21	5598	28970	32093
Plant and Machinery	142553	(2538)	277	139738	55761	9959	87	65633	74105	86791
Electrical Installations and Fittings	15385	(436)	40	14909	5664	819	—	6483	8426	9722
Furniture and Fixtures	1052	17	1	1068	464	56	1	519	549	588
Miscellaneous Assets	3119	66	19	3166	1654	220	14	1860	1306	1465
Vehicles	874	16	67	823	309	78	28	359	464	565
	202966	(4776)	656	197534	68662	12164	155	80671	116863	134304
Intangible Assets										
Computer Software	1706	61	—	1767	1086	272	—	1358	409	620
Licence Fee	1115	—	—	1115	1115	—	—	1115	—	—
E-Mark Charges	77	7	—	84	33	12	—	45	39	44
	2898	68	—	2966	2234	284	—	2518	448	664
Total	205864	(4708)	656	200500	70896	12448	155	83189	117311	134968
Previous Year	184405	21899	440	205864	59712	11349	165	70896	134968	
Capital Work-in-Progress (Including Capital Advances)									5274	4222
Impaired Assets Held For Disposal									125	119

Notes :

- a) Electrical installations and fitting include Rs. 334 Lakhs (Previous year Rs. 334 Lakhs) paid to State Electricity Board not represented by physical assets owned by the Company.
- b) Buildings, Plant and Machinery and Electrical installations exclude Rs. 8591 Lakhs (Previous year include Rs.11297 Lakhs) being (decrease)/increase in rupee liability in respect of Differences in Foreign Exchange Rates as per Companies (Accounting Standards) Amendment Rules 2009.

	Rs. Lakhs			
	As at 31 st March, 2010		As at 31 st March, 2009	
SCHEDULE 6 : INVESTMENTS	QUOTED	UNQUOTED	QUOTED	UNQUOTED
Long Term - Non Trade				
In Government Securities				
National Saving Certificates * **	–	–	–	–
In 5 (5) Shares of Taloja CETP Co-operative Society Limited **	–	–	–	–
In Equity Shares-Fully Paid-Up				
Jamna Auto Industries Limited				
82500 (82500) equity shares of Rs. 10 each	36	–	36	–
Trade				
AIS Adhesives Limited				
1049895 (1049895) equity shares of Rs. 10 each	–	105	–	105
Asahi India Map Auto Glass Limited				
100000 (100000) equity shares of Rs. 10 each	–	192	–	192
Vincotte International India Assessment Services Pvt. Ltd.				
33000 (33000) equity shares of Rs. 100 each	–	33	–	33
Subsidiary Companies				
AIS Glass Solutions Limited				
3281999 (2960000) equity shares of Rs. 10 each	–	328	–	296
(321999 equity shares purchased during the year)				
Integrated Glass Materials Limited				
50000 (50000) equity shares of Rs.10 each	–	5	–	5
	36	663	36	631
Total		699		667
Less : Diminution in value		–		28
		699		639
Aggregate value of quoted investments - market value Rs. 68 Lakhs (Previous year Rs. 8 Lakhs).				
* Pledged with Sales Tax Authorities.				
** Rounded off to Nil.				

	Rs. Lakhs	
	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 7 : CURRENT ASSETS		
Inventories* (As taken, valued and certified by Management)		
i) Stores and Spare parts	6462	6031
ii) Raw Materials	7165	6682
iii) Finished and Traded Goods	16266	20823
iv) Waste	55	62
v) Work in Process	1972	1440
	31920	35038
* Include in Transit Rs. 1845 Lakhs (Previous year Rs. 1397 Lakhs).		
Sundry Debtors (Considered good except where provided for)		
Secured		
Over Six Months	30	11
Others	348 378	320 331
Unsecured		
Over Six Months	2702	2019
Others	15092 17794	15330 17349
	18172	17680
Considered Good	18070	17610
Considered Doubtful	102	70
Less : Provision for Doubtful debts	102	70
	18070	17610
Cash and Bank Balances etc.		
Cash in Hand (As certified)	47	62
Cheques in Hand/Remittances in Transit	4	–
Balance with Post Office in Saving Account **	–	–
Balances with Scheduled Banks		
Current/Cash Credit Accounts	1006	1459
Deposit Account	3	2
Dividend Warrant Accounts	158	164
	1218	1687
Other Current Assets (Unsecured and considered good)		
Interest Accrued on Investments **	–	–
Deposits with Government and others	1362	1314
	1362	1314

** Rounded off to Nil.

	Rs. Lakhs	
	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 8 : LOANS AND ADVANCES		
(Unsecured and considered good)		
Loan (Including interest accrued)	–	12
Advances		
Advances recoverable in cash or in kind		
or for value to be received and/or adjusted *	8333	7065
MAT Credit recoverable	1407	1407
Advance Income Tax (Net of provision)	111	20
Balance with Excise Authorities	974	2296
	10825	10800

* including due from Subsidiary Companies Rs. 3555 Lakhs (Previous year Rs. 2412 Lakhs).

SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS

Current Liabilities		
Acceptances	–	866
Sundry Creditors		
Micro, Small and Medium Enterprises	83	–
Others *	16462	19151
Advances from Customers	1228	3572
Unclaimed Dividend **	157	164
Other Liabilities	2423	2376
Interest accrued but not due on loans	1154	1587
	21507	27716
Provisions		
Fringe Benefit Tax (Net of taxes paid)	24	38
Employee Benefits	460	361
	484	399

* Include due to Directors Rs. 3 Lakhs (Previous year Nil).

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

	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
SCHEDULE 10 : OTHER INCOME		
Interest [Tax deducted at source Rs. 11 Lakhs (Previous year Rs. 21 Lakhs)]	150	130
Rent Received	2	2
Diminution in Value of Investments reversed	28	–
Profit on Sale of Fixed Assets (Net)	259	–
Exchange Rate Fluctuations (Net)	1529	–
Liabilities and Provisions Written Back	450	73
Commission Received	99	131
Foreign Currency Monetary Item Translation Difference Account	126	–
Miscellaneous	742	818
	3385	1154

	Rs. Lakhs	
	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
SCHEDULE 11 : MATERIALS AND MANUFACTURING		
Raw Materials Consumed		
Opening Stock	6682	8408
Add : Purchases	33977	33618
	40659	42026
Less : Sales/Trial Run	–	248
Less : Closing Stock	7165	33494
		6682
Excise Duty	(65)	(485)
Purchases of Finished Goods	842	444
Manufacturing Expenses		
Power, Fuel, Water and Utilities	25933	28238
Stores and Spares etc. consumed	9375	9009
Miscellaneous Expenses	1191	1141
Repairs and Maintenance		
Plant and Machinery	3094	2634
Building	172	3266
		208
		2842
Add : Decrease in Stocks		
Opening Stock		
Finished and Traded Goods	20823	21383
Work in Process	1440	1362
Waste	62	49
	22325	22794
Closing Stock		
Finished and Traded Goods	16266	20823
Work in Process	1972	1440
Waste	55	62
	18293	4032
	78068	22325
		469
		76754
SCHEDULE 12 : PERSONNEL		
Salaries, Wages, Allowances and Bonus	7255	6433
Recruitment and Training Expenses	51	89
Welfare Expenses	1229	1247
Contribution to Provident and Other Funds	421	456
	8956	8225

	Rs. Lakhs	
	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
SCHEDULE 13 : SELLING, ADMINISTRATION AND OTHERS		
Advertisement	208	146
Packing and Forwarding	9280	10512
Commission Paid	630	868
Royalty	2090	2376
Cash Discount	598	672
Bank Charges	499	452
Travelling and Conveyance	515	615
Rent	311	400
Rates and Taxes	424	282
Insurance	403	434
Auditors Remuneration	27	24
Repairs and Maintenance-Others	152	225
Miscellaneous Expenses	2212	2592
Provision for Doubtful Debts	32	4
Loss on Sale of Fixed Assets (Net)	–	134
Exchange Rate Fluctuations (Net)	–	3209
Amortisation of Foreign Currency Monetary Item		
Translation Difference Account	–	618
Director's Sitting Fee	6	7
Bad and Doubtful Debts	110	147
	17497	23717
SCHEDULE 14 : INTEREST		
Interest		
On Fixed Loans	8864	5235
Others	3919	7198
	12783	12433

SCHEDULE 15 : NOTES TO THE ACCOUNTS

1. Statement of Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

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 treated as Pre-operative expenses pending allocation to the assets. These expenses are apportioned to fixed assets on commencement of commercial production.
- iii) 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.
- ii) Leasehold land is depreciated over the period of lease.
- iii) Assets costing up to Rs. 5000/- each are depreciated fully in the year of purchase.
- iv) Fixed assets not represented by physical assets owned by the Company are amortised over a period of five years.

Intangible Assets

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 process and finished goods	Material cost plus appropriate share of production overheads and excise duty wherever applicable.
Traded Goods	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, determined on an individual investments basis. Long term investments are carried at cost less any other than temporary diminution in value, determined, separately in respect of each category of investment.

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.

Dividend income is recognised when the right to receive payment is established.

Interest and other income is accounted for on accrual basis.

g) Government Grants

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

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. Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease period.

i) Employee benefits

Contribution to Defined Contribution Schemes such as Provident Fund etc. are charged to the Profit and Loss Account 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 Schemes of HDFC Standard Life Insurance Co. Ltd. and Life Insurance Corporation of India. 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 Profit and Loss Account. Profits and losses arising out of actuarial valuations are recognised in the Profit and Loss Account as income or expense.

The Company provides for the encashment of leave subject to 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 Profit and Loss Account.

j) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. 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 Profit and Loss Account.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009.

In respect of transactions covered by forward exchange contracts, the difference between exchange rate on the date of the contract and the year end rate/settlement date is recognised in the Profit and Loss Account. Any premium/discount on forward contract is amortised over the life of the contract. Any profit or loss arising on cancellation or renewal of such a contract is recognised as income or expense for the period.

k) 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.

l) Impairment of Assets

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

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

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.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.1026 Lakhs (Rs. 409 Lakhs) (net of advances).

3. Contingent Liabilities for :

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
a) Bank guarantees and letters of credit outstanding	2646	2988
b) Claims against the Company not acknowledged as debts (excluding interest and penalty which may be payable on such claims)		
i) Excise and Custom Duty (including referred in Note No. 10)	2784	2737
ii) Disputed Wealth Tax Demands	10	10
iii) Corporate Guarantees [including Rs. 3952 Lakhs (Rs. 4187 Lakhs) for a subsidiary]	5168	5167
iv) Channel Financing from Bank	1154	1223
v) Disputed Sales Tax Demands	968	2564
vi) Others	–	13

4. a) As per Accounting Standard (AS)-15 (revised 2005) on Employee Benefits details of expenses under Defined Contribution Plan are given as under :

Rs. Lakhs

	2009-10	2008-09
Provident Fund	329	305
Superannuation Fund	39	42
Employee State Insurance	8	18

(disclosed in the Profit and Loss Account 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 :

Rs. Lakhs

	Gratuity Scheme		Leave Liability	
	Funded	Plan	Non Funded Plan	
	2009-10	2008-09	2009-10	2008-09
i) Reconciliation of opening and closing balances of obligation				
a) Present value of obligation at the beginning of the year	461	414	70	83
b) Interest Cost	46	41	7	8
c) Current service cost	46	42	5	5
d) Benefit paid	(45)	(64)	(31)	(26)
e) Actuarial (Gain)/Loss	(25)	28	25	—
f) Present value of obligation at the end of the year	483	461	76	70
ii) Reconciliation of opening and closing defined benefit assets				
a) Present value of plan assets at the beginning of the year	324	329		
b) Expected return on plan assets	29	30		
c) Contribution paid	39	39		
d) Benefit paid	(45)	(64)		
e) Actuarial (Gain)/Loss	8	10		
f) Present value of assets at the end of the year	339	324		
Total actuarial (Gain)/Loss	(17)	38		
iii) Reconciliation of fair value of assets and obligation				
a) Present value of obligation at the end of the year	483	461	76	70
b) Present value of plan asset at the end of the year	339	324	—	—
c) Liability recognised in balance sheet	144	137	76	70
iv) Expense recognised during the year				
a) Current service cost	46	42	5	5
b) Interest cost	46	41	7	8
c) Expected return on plan assets	29	30	—	—
d) Total actuarial (Gain)/Loss	(17)	38	25	—
e) Expenses recognised during the year	46	91	—	13
v) Disclosure of investment detail			%	%
a) The Bank of Tokyo Mitsubishi (UFJ) Ltd.	9	—	3	—
b) Life Insurance Corporation of India	140	207	41	64
c) HDFC Standard Life Insurance Co. Ltd.	189	117	56	36
	339	324	100	100
vi) Actuarial Assumption	%	%		
a) Discount rate (per annum)	8	8		
b) Interest rate (per annum)	10	10		
c) Estimated rate of return on plan assets (per annum)	9	9		
d) Rate of escalation in salary (per annum)	2	2		

5. 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 lease Rs. 241 Lakhs (Rs. 414 Lakhs).

6. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on confirmations obtained from suppliers and information available with the Company are as under :

		Rs. Lakhs
Particulars	As at 31 st March, 2010	
a) The principal amount remaining unpaid to Suppliers as at the end of accounting year		83
b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year		—
c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year		—
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act		—
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year		—
f) The amount of further interest remaining due and payable even in the succeeding years		—

Previous year figures are not available as the Company was in the process of compiling relevant information from its suppliers last year.

7. Payment to Auditors :		Rs. Lakhs
	2009-10	2008-09
a) Statutory Audit	23	20
b) Certification Fees	3	3
c) Out of pocket expenses	1	1

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

9. Prior period adjustments consist of :		Rs. Lakhs
	2009-10	2008-09
a) Excise duty and service tax	80	33
b) Depreciation short provided	1	3
c) Income of earlier years	(18)	(26)
d) Other Expenses	32	77
	95	87

10. a) In a previous year, in Auto SBU of the Company, Custom and Central Excise Settlement Commission settled Excise Duty Liability at Rs. 368 Lakhs (excluding interest) out of which the Company had accepted liability of Rs. 56 Lakhs and paid the same alongwith interest of Rs. 20 Lakhs. The matter was decided in favour of the Company by the High Court of Delhi against which SLP of the Excise Department has been accepted by the Supreme Court of India.
- b) Deputy Commissioner of Customs (Original Authority) in a previous year issued an order imposing additional custom duty of about Rs.1606 Lakhs on the value of project imports made by erstwhile Floatglass India Ltd. (amalgamated with the Company with effect from 1st April, 2002). On appeal by the Company, Commissioner Customs (Appeals) set aside the above order on 25th November, 2002 against which the Commissioner of Customs filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal. In a previous year the matter was remanded back to the Original Authority for fresh decision. The liability, if any, will be accounted on final decision by Original Authority.
11. The Company has not considered necessary to provide for diminution in value of equity shares of subsidiary company AIS Glass Solutions Ltd. as investment is long term and diminution in value is temporary.
12. The balance of Rs.126 Lakhs in "Foreign Currency Monetary Item Translation Difference Account" is after adjustment of Rs.126 Lakhs recognised as income for the year which is in accordance with Companies (Accounting Standards) Amendment Rules 2009, relating to Accounting Standard (AS)-11.

13. Details of Deferred Tax Assets/(Liability) arising on account of timing differences are as follows : Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
Unabsorbed depreciation/carried forward losses under Tax Laws	14120	14359
Difference between book depreciation and depreciation under the Income Tax Rules	(11499)	(11587)
Expenses allowed for tax purpose on payment basis	41	35
Provision for doubtful debts and advances	35	22
Others	–	(421)
	2697	2408

14. Interest of Rs. 57 Lakhs (Rs. 104 Lakhs) on borrowings for fixed assets for expansion/new projects is capitalised till the date such assets are put to use for commercial production.

15. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments. The Company does not use forward contracts for trading and speculative purposes.

The forward contracts outstanding at the end of the year are as under :

Currency Exchange	Nos.		USD Lakhs		EURO Lakhs	
	As at 31 st March, 2010	As at 31 st March, 2009	As at 31 st March, 2010	As at 31 st March, 2009	As at 31 st March, 2010	As at 31 st March, 2009
a) Number of sell contracts	7	10	–	–	–	–
Aggregate amount	–	–	–	10	18	44
b) Number of buy contracts	7	–	–	–	–	–
Aggregate amount	–	–	75	–	–	–

16. Capital work-in-progress comprises of the following : Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
Building under construction	146	244
Plant and Machinery under erection	2830	2839
Electrical installations under erection	10	16
Capital advances	1638	842
Pre-operative expenses	628	217
Others	22	64
	5274	4222

17. Details of managerial remuneration paid during the year : Rs. Lakhs

	2009-10	2008-09
Salaries and Allowances	32	71
Perquisites (Actual and/or valued as per Income Tax Rules)	31	36
Contribution to Provident Fund	1	3
	64	110

The above remuneration does not include contribution to gratuity fund as this contribution is a lump sum amount based on actuarial valuation.

Computation of net profit in accordance with the provisions of Section 349 of the Companies Act, 1956 has not been given since no commission is payable to the managing and other directors.

18. Current Assets, Loans and Advances (Schedule 7 & 8) include amounts due from : Rs. Lakhs

	Maximum Balance	As at 31 st March, 2010
a) Managing Director	52 (7)	3 (7)
b) Private Limited Company in which the Managing Director of the Company is interested as Director	18 (18)	18 (18)

19. Earnings Per Share (EPS) : Rs. Lakhs

	2009-10	2008-09
Profit/(Loss) After Tax as per Profit and Loss Account	103	(4016)
Tax adjustments of earlier years	20	(44)
Profit/(Loss) Attributable to Equity Shareholders – (A)	123	(4060)
Basic/Weighted average number of Equity Shares outstanding – (B)	159927586	159927586
Nominal Value of Equity Shares (Re.)	1/- each	1/- each
Earnings Per Share (Basic and Diluted) (Rs.) – (A)/(B)	0.08	(2.54)

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

a) List of Related Parties :

- i) Subsidiaries : AIS Glass Solutions Ltd., Integrated Glass Materials Ltd.
- ii) Associates : AIS Adhesives Ltd., Asahi India Map Auto Glass Ltd., Vincotte International India Assessment Services (P) Ltd.
- iii) Enterprises owned or significantly influenced by key management personnel or their relatives :
Shield Autoglass Ltd., Samir Paging Systems Ltd., R. S. Estates (P) Ltd., Nishi Electronics (P) Ltd., Maltex Malsters Ltd., Essel Marketing (P) Ltd., Allied Fincap Services Ltd., Usha Memorial Trust, ACMA, Krishna Maruti Ltd.
- iv) Key Management Personnel and their relatives :
Directors : Mr. B. M. Labroo, Mr. Sanjay Labroo, Mr. K. Kojima, Mr. Arvind Singh, Mr. H. Nohara
Relatives : Mrs. Kanta Labroo, Mrs. Vimi Singh
- v) Other related parties where control exists : Asahi Glass Co. Limited, Japan and its subsidiaries - AGC Flat Glass Asia Pacific Pte. Ltd., Asahi Glass Machinery Co. Ltd., Asahi Glass Philippines, Inc., Glavermas Pte Ltd., Asahi Glass Ceramics Co. Ltd., P. T. Asahimas Flat Glass TBK Indonesia, AGC Automotive Thailand Co. Ltd., AGC Flat Glass - Hellas, AGC Flat Glass - Russia, AGC Flat Glass Coating S.A., AGC Technology Systems Solution Company, AGC Flat Glass North America Inc., Asahi Flat Glass Asia Europe S.A., AGC Flat Glass Europe S.A., AGC Flat Glass Nederland BV.

b) Transactions with Related Parties :

Rs. Lakhs

Nature of Transaction	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	
	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009
1. Expenses										
- Purchase of materials, and Power and Fuel	291	100	-	-	-	-	-	-	4061	6867
- Stores and Spares	-	-	-	-	-	-	-	-	1209	-
- Purchase of traded goods	-	-	-	-	-	-	-	-	239	335
- Business promotion expenses	-	-	-	-	-	22	-	-	3	2
- Remuneration to directors	-	-	-	-	-	-	As per Note No. 17 above		-	-
- Directors sitting fee	-	-	-	-	-	-	1	1	-	-
- Rent paid	6	-	-	-	18	18	9	13	-	-
- Fee for technical and consultancy services.	-	-	-	-	3	-	-	-	164	12
- Donation	-	-	-	-	-	1	-	-	-	-
- Training expenses	-	-	-	-	*	15	-	-	-	-
- Repairs and Maintenance	-	-	-	-	*	-	-	-	33	85
- Miscellaneous Expenses	-	-	-	-	-	-	-	-	11	-
- Royalty	-	-	-	-	-	-	-	-	2090	2374
- Membership and Subscription	-	-	-	-	1	-	-	-	-	-
- Commission	-	-	-	-	-	-	-	-	3	3
- Interest Others	-	-	-	-	-	-	-	-	37	-
2. Income										
- Sale of goods etc.	849	1371	3408	3723	-	-	-	-	3503	6366
- Sale of fixed assets	46	133	-	-	-	-	-	-	-	-
- Interest/Commission received	100	94	-	-	-	-	-	-	102	131
- Rent received	-	-	-	-	-	-	-	-	13	-
3. Purchases of Capital Goods	-	43	-	-	-	-	-	-	925	1604
4. Investment in Equity Shares	32	5	-	70	-	-	-	-	-	-
5. Advances Given	355	-	-	-	-	-	-	-	898	-
6. Balance as on	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009
- Loans and advances	3555	2412	-	-	18	18	-	7	2	15
- Creditors	-	-	-	-	-	-	-	-	3374	5111
- Debtors	1421	1079	665	790	-	-	-	-	427	665
- Foreign Currency Loan	-	-	-	-	-	-	-	-	21435	24213

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

* Rounded off to Nil.

21. Segment Information :

a) Information about Primary Business Segments :

Rs. Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	71330	53880	4011		129221
	(52143)	(66149)	(4553)		(122845)
Inter segment sales (Net of excise duty)	248	9732	–	(9980)	–
	(98)	(4873)	(7)	(-4978)	–
Other income			437		437
			(130)		(130)
Total revenue	71578	63612	4448	(9980)	129658
	(52241)	(71022)	(4690)	(-4978)	(122975)
Segment result	12421	(30)	(224)		12167
	(2787)	(226)	(-286)		(2727)
Unallocated Income (net of expenses)			287		287
			(–)		(–)
Operating profit	12421	(30)	63		12454
	(2787)	(226)	(-286)		(2727)
Interest expense			(12783)		(12783)
			(-12433)		(-12433)
Interest income			150		150
			(130)		(130)
Income taxes - Current Tax			(7)		(7)
			(-7)		(-7)
- Deferred Tax (Net)			289		289
			(5672)		(5672)
- Fringe Benefit Tax			–		–
			(-105)		(-105)
Taxes adjustments for earlier years			20		20
			(-44)		(-44)
Net Profit/(Loss)	12421	(30)	(12268)		123
	(2787)	(226)	(-7073)		(-4060)
Other information					
Segment assets	72526	103526	10752		186804
	(70449)	(121038)	(14910)		(206397)
Total assets	72526	103526	10752		186804
	(70449)	(121038)	(14910)		(206397)
Segment liabilities	11956	7602	2433		21991
	(14381)	(10768)	(2966)		(28115)
Share capital and reserves			20447		20447
			(18960)		(18960)
Secured and unsecured loans			147063		147063
			(161730)		(161730)
Deferred Tax (Assets)			(2697)		(2697)
			(-2408)		(-2408)
Total liabilities	11956	7602	167246		186804
	(14381)	(10768)	(181248)		(206397)
Capital expenditure	1373	(5075)	52		(3650)
	(8745)	(1094)	(11547)		(21386)
Depreciation/Amortisation	5352	6478	618		12448
	(4702)	(6038)	(609)		(11349)

b) Information about Secondary Business Segments :

Rs. Lakhs

Particulars	India	Outside India	Total
Revenue by Geographical Market			
External	129991	9647	139638
	(112016)	(15937)	(127953)
Less : Inter segment sales (Net of excise duty)	9980		9980
	(4978)		(4978)
Total	120011	9647	129658
	(107038)	(15937)	(122975)

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

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

Product	Unit	Installed Capacity	Actual Production
Toughened Glass	Sq. Mts.	7412000	4890645
		(6812000)	(3745208)
Laminated Glass	Nos.	3675000	2915877
		(3400000)	(2247416)
Architectural Glass	Sq. Mts.	1404000	326611
		(1404000)	(321814)
Float Glass*	Conv. Sq. Mts.	71890000	54635132
		(71890000)	** (63435030)
Reflective Glass	Conv. Sq. Mts.	—	1771178
		(—)	** (1687226)
Mirror	Sq. Mts.	3650000	1318557
		(3650000)	** (1277524)

* Installed capacity of Float Glass includes capacity of Reflective Glass also.

** Net of Breakages.

Notes :

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

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

Rs. Lakhs

Product	Unit	Sales		Purchases		Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Toughened Glass	Sq. Mts.	* 4877852	28818	21722	291	182272	1033	202984	1122
		(3733843)	(22843)	(Nil)	(Nil)	(191340)	(1079)	(182272)	(1033)
Laminated Glass	Nos.	** 2909199	40231	18385	230	80848	893	102627	1031
		(2260716)	(28695)	(Nil)	(Nil)	(105441)	(1129)	(80848)	(893)
Float Glass	Conv. Sq. Mts.	***** 51386919	47255	Nil	Nil	19178204	15465	12340630	10427
		(60393163)	(58909)	(Nil)	(Nil)	(21433453)	(16406)	(19178204)	(15465)
Architectural Glass	Sq. Mts.	323325	3926	Nil	Nil	6346	86	9632	102
		(322477)	(4522)	(Nil)	(Nil)	(7009)	(73)	(6346)	(86)
Reflective Glass	Conv. Sq. Mts.	*** 1241817	2221	Nil	Nil	2124250	2500	2571836	2932
		(1328989)	(2976)	(Nil)	(Nil)	(1860523)	(1995)	(2124250)	(2500)
Mirror Glass	Conv. Sq. Mts.	1346847	2452	Nil	Nil	341382	514	313092	486
		(1235678)	(2553)	(Nil)	(Nil)	(299536)	(406)	(341382)	(514)
Traded Goods	Conv. Sq. Mts.	**** 150388	509	126438	321	134139	332	70841	166
		(176950)	(515)	(192461)	(444)	(119273)	(295)	(134139)	(332)
Miscellaneous			861						
			(808)						

Excluding *13803 (20433) Sq. Mts., **3284 (11293) Nos., ****1064 (645) Conv. Sq. Mts. destroyed/broken.

Net of inter unit transfer ***** 10085787 (5297116) Conv. Sq. Mts., ***81775 (94510) Conv. Sq. Mts., ****38284 (Nil) Conv. Sq. Mts.

c) Raw Materials Consumed :			Rs. Lakhs
	Unit	Quantity	Value
Float Glass	Sq. Mts.	8278926	12780
		(8385296)	(13282)
PVB Films	Sq. Mts.	3061282	7004
		(2296162)	(4960)
Soda Ash	M.T.	61546	7631
		(63323)	(8115)
Others			6079
			(8739)
d) Value of Raw Materials, Spare Parts and Components Consumed :			Rs. Lakhs
	Amount	Percentage	
i) Raw Materials			
Imported	20190	60.28	
	(20260)	(57.73)	
Indigenous	13304	39.72	
	(14836)	(42.27)	
ii) Stores and spare parts			
Imported	1023	10.91	
	(1157)	(12.84)	
Indigenous	8352	89.09	
	(7852)	(87.16)	
e) CIF value of Imports :			Rs. Lakhs
	Amount	Amount	
i) Raw Materials	17476	(16636)	
ii) Stores and Spares Parts etc.	3730	(2935)	
iii) Capital Goods [excluding stores included in (ii) above]	1173	(3510)	
iv) Traded Goods	239	(335)	
v) Finished Goods	429	–	
f) Expenditure in Foreign Currency :			Rs. Lakhs
	Amount	Amount	
i) Installments towards foreign currency loans	10450	(4019)	
ii) Interest on foreign currency loans	3592	(3939)	
iii) Royalty (Net of Taxes)	1923	(1965)	
iv) Professional charges	248	(102)	
v) Others	291	(502)	
g) Earnings in Foreign Exchange :			Rs. Lakhs
	Amount	Amount	
i) F.O.B. value of Exports (excluding paid samples)	9288	(13553)	
ii) Interest and Commission/Miscellaneous Income	115	(131)	

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

24. Figures have been rounded off to Rs. Lakhs.

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Cash Flow Statement

	2009-2010		2008-2009	
	Amount	Amount	Amount	Amount
Rs. Lakhs				
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net (Loss) before tax and extraordinary items	(84)		(9489)	
Adjustment for :				
Depreciation and Amortisation of Intangible Assets	12448		11349	
(Reversal) of Impairment Loss	(10)		(14)	
(Profit)/Loss on sale of fixed assets and assets discarded (Net)	(259)		134	
(Reversal)/Provision for diminution in value of				
long term investments	(28)		28	
Amortisation of Foreign Currency Monetary Item	(126)		618	
Interest paid	12783		12433	
Interest received	(150)		(130)	
Operating profit before working capital changes	24574		14929	
Adjustment for :				
Trade and other receivables	(822)		(6050)	
Inventories	3118		1275	
Trade payable	(6118)		7794	
CASH GENERATED FROM OPERATIONS	20752		17948	
Interest paid	(12783)		(12433)	
Direct taxes paid (Net)	302		(156)	
Increase/(Decrease) in Foreign Currency Monetary Item	1490		(2715)	
CASH FLOW BEFORE PRIOR PERIOD ITEMS	9761		2644	
Prior Period items (Net)	(95)		(87)	
NET CASH FROM OPERATING ACTIVITIES		9666		2557
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital				
work-in-progress	3662		(25290)	
Sale of fixed assets	758		141	
Purchase of Investments	(60)		(75)	
(Reversal)/Provision for diminution in value of				
long term investments	28		—	
Interest received	150		130	
NET CASH USED IN INVESTING ACTIVITIES		4538		(25094)

Rs. Lakhs			
	2009-2010		2008-2009
	Amount	Amount	Amount
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of Long Term Borrowings	24410		22973
Payment of Long Term Borrowings	(20887)		(4578)
Net proceeds of Short Term Borrowings	(18190)		4192
NET CASH USED IN FINANCING ACTIVITIES		(14667)	22587
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)		(463)	50
CASH AND CASH EQUIVALENT As at 1st April, 2009 (Opening Balance)	1523		1473
CASH AND CASH EQUIVALENT As at 31st March, 2010 (Closing Balance)	1060		1523

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.

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Balance Sheet Abstract and Company's General Business Profile

As per Schedule VI, Part (IV) of the Companies Act, 1956

I. Registration Details

Registration No.

				1	9	5	4	2
--	--	--	--	---	---	---	---	---

 Balance Sheet Date

3	1			0	3			2	0	1	0
---	---	--	--	---	---	--	--	---	---	---	---

State Code

5	5
---	---

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

Public Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

 Bonus Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Right Issue

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

 Private Placement

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

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

Total Liabilities

					1	8	9	5	0	1
--	--	--	--	--	---	---	---	---	---	---

 Sources of Funds
 Paid up Capital

						1	5	9	9
--	--	--	--	--	--	---	---	---	---

 Secured Loans

					1	2	2	8	1	5
--	--	--	--	--	---	---	---	---	---	---

 Deferred Tax Liabilities

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Total Assets

						1	8	9	5	0	1
--	--	--	--	--	--	---	---	---	---	---	---

 Reserves and Surplus

						1	8	8	4	8
--	--	--	--	--	--	---	---	---	---	---

 Unsecured Loans

						2	4	2	4	8
--	--	--	--	--	--	---	---	---	---	---

Application of Funds
 Net Fixed Assets

					1	2	2	7	1	0
--	--	--	--	--	---	---	---	---	---	---

 Net Current Assets

					4	1	4	0	4
--	--	--	--	--	---	---	---	---	---

 Accumulated Losses

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Investments

									6	9	9
--	--	--	--	--	--	--	--	--	---	---	---

 Miscellaneous Expenditure

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

 Deferred Tax Assets

						2	6	9	7
--	--	--	--	--	--	---	---	---	---

IV. Performance of Company (Amount Rs. Lakhs)

Turnover/Income

					1	2	9	6	5	8
--	--	--	--	--	---	---	---	---	---	---

 (Loss)/Profit before tax

					(1	7	9)
--	--	--	--	--	---	---	---	---	---

 Earning per Share (in Rs.)

						0	.	0	8
--	--	--	--	--	--	---	---	---	---

Total Expenditure

					1	2	9	8	3	7
--	--	--	--	--	---	---	---	---	---	---

 Profit/(Loss) after tax

								1	2	3
--	--	--	--	--	--	--	--	---	---	---

 Dividend

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

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

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

Ch. H. No. 7004-10
Ch.H. No. 7004-20 Glass (Flat)
Ch. H. No. 7004-10
Ch. H. No. 7004-21
Ch. H. No. 7004-10

On behalf of the Board of Directors

Place : Gurgaon
 Dated : 14th May, 2010

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
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.	Integrated Glass Materials Ltd.
1. Financial Year	31 st March, 2010	31 st March, 2010
2. Shares of subsidiary held by Asahi India Glass Ltd. on the above date		
a) Number and Face Value	32,81,999 (29,60,000) Equity Shares of Rs. 10 each fully paid up	50,000 (NIL) Equity Shares of Rs. 10 each fully paid up
b) Extent of holding	82.55 % (74.44 %)	100 %(NIL)
3. Net aggregate amount of profit/(losses) 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, 2010	Rs. 22.55 Lakhs [Rs. (178.59) Lakhs]	Rs. (6.29) Lakhs (NIL)
b) not dealt with in the accounts of Asahi India Glass Ltd. Profit/(Loss) for the year ended 31 st March, 2010	Rs. 7.13 Lakhs [Rs. (60.68) 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.	Rs. (583) Lakhs [Rs. (404) Lakhs]	N.A.
b) not dealt with in the accounts of Asahi India Glass Ltd.	Rs. (146) Lakhs [Rs. (85) Lakhs]	N.A.

Information pursuant to exemption received from Central Government under Section 212(8) of the Companies Act, 1956, relating to subsidiary companies, AIS Glass Solutions Limited and Integrated Glass Materials Limited for the year ended 31st March, 2010

Rs. Lakhs

S. No.	Particulars	AIS Glass Solutions Ltd.	Integrated Glass Materials Ltd.
1.	Capital	398	5
2.	Reserves	-	-
3.	Total Assets	7,214	12
4.	Total Liabilities	7,214	12
5.	Details of Investments (except in case of investment in subsidiaries)	-	- *
6.	Turnover	4,066	74
7.	Profit/(Loss) before Taxation	27	(6)
8.	Provision for Taxation (FBT)	(3)	-
9.	Profit/(Loss) after Taxation	30	(6)
10.	Proposed Dividend	-	-

* Rounded off to Nil.

On behalf of the Board of Directors

Place : Gurgaon
Dated : 14th May, 2010

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Auditors' Report

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

1. We have audited the attached Consolidated Balance Sheet of Asahi India Glass Limited (the Company) and its subsidiaries as at 31st March, 2010, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date.

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

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

3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 2374 Lakhs as at 31st March, 2010 and total revenue of Rs. 4326 Lakhs for the year ended on that date. The financial statements have been audited by other auditors whose report has been furnished to us, and in our opinion, in so

far as it relates to the amounts included in respect of said subsidiary is based solely on the report of other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS)-21 Consolidated Financial Statements and (AS)-23 Accounting for investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
5. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiaries, in our opinion, the consolidated financial statements together with Notes thereon, and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of Asahi India Glass Ltd. and its subsidiaries as at 31st March, 2010;
 - b) In the case of Consolidated Profit and Loss Account, of the consolidated results of operations of Asahi India Glass Ltd. and its subsidiaries for the year ended on that date, and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Asahi India Glass Ltd. and its subsidiaries for the year ended on that date.

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

Jagdish Sapra
Partner
M. No. 9194

Place : New Delhi
Dated : 14th May, 2010

Consolidated Balance Sheet

Rs. Lakhs

	Schedule	As at 31 st March, 2010	As at 31 st March, 2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	1599	1599
b) Reserves and Surplus	2	18296	19895
			18097
			19696
2. Minority Interest			
a) Capital		68	102
b) Reserves and Surplus		(139)	(71)
			(146)
			(44)
3. Loan Funds			
a) Secured Loans	3	125517	132610
b) Unsecured Loans	4	24248	149765
			33307
			165917
4. Foreign Currency Monetary Item Translation			
Difference Account (Schedule 14, Note 6)		126	—
Total		169715	185569
APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		206641	212294
b) Less : Accumulated Depreciation and Amortisation		84175	71429
c) Net Block		122466	140865
d) Capital Work-in-progress (Schedule 14, Note 8)		5445	4233
e) Impaired Assets held for disposal		125	128036
			119
			145217
2. Investments - Long Term			
a) Associates (Including goodwill Rs. 190 Lakhs arising on acquisition of associates)		651	583
b) Others [Schedule 14, Note 1 (b)]		37	688
			14
			597
3. Current Assets, Loans and Advances			
Current Assets	6		
a) Inventories		32333	35513
b) Sundry Debtors		17632	17463
c) Cash and Bank Balances etc.		1592	1838
d) Other Current Assets		1380	1331
Loans and Advances	7	7547	8612
		60484	64757
Less : Current Liabilities and Provisions	8		
a) Current Liabilities		21687	28226
b) Provisions		503	422
		22190	28648
Net Current Assets		38294	36109
4. Deferred Tax Assets (Net) (Schedule 14, Note 7)		2697	2408
5. Foreign Currency Monetary item Translation			
Difference Account		—	1238
Total		169715	185569
Notes to the Accounts	14		

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

As per our report of even date

For **Jagdish Sapra & Co.**

Chartered Accountants

(Registration No. 001378N)

Jagdish Sapra

Partner

M. No. 9194

Place : New Delhi

Dated : 14th May, 2010

B. M. Labroo

Chairman

Place : Gurgaon

Dated : 14th May, 2010

Sanjay Labroo

Managing Director &
Chief Executive Officer

Shailesh Agarwal

Chief Financial Officer

Gopal Ganatra

Head - Legal &
Company Secretary

On behalf of the Board of Directors

Consolidated Profit and Loss Account

		Rs. Lakhs	
	Schedule	Year Ended 31st March, 2010	Year Ended 31st March, 2009
INCOME			
Turnover and Inter Division Transfers		147303	138387
Less : Inter Division and Subsidiary Transfers		11285	6099
Turnover		136018	132288
Less : Excise Duty		6695	8457
Net Turnover		129323	123831
Other Income	9	3353	926
		132676	124757
EXPENDITURE			
Materials and Manufacturing	10	79447	77322
Personnel	11	9381	8655
Selling, Administration and Others	12	18088	24124
Interest	13	12936	12698
Deferred Revenue Expenditure Written Off		—	2
		119852	122801
Profit Before Depreciation and Tax		12824	1956
Depreciation and Amortisation		(12902)	(11706)
Reversal of Impairment Loss		10	14
Prior Period Adjustments (Net)		(96)	(87)
(Loss) Before Tax		(164)	(9823)
Provision for Taxation			
Current Tax		(7)	(7)
Deferred Tax Assets (Net)		289	5672
Fringe Benefit Tax		—	(112)
Profit/(Loss) After Tax		118	(4270)
Share of Profit/(Loss) of Associates		68	(9)
Minority Interest		(7)	61
Taxation Adjustment of earlier years		20	(44)
Balance Brought Forward		5544	9806
Balance Carried to Balance Sheet		5743	5544
Earnings Per Share - Basic and Diluted (Rs.)		0.12	(2.67)
(Schedule 14, Note 9)			
Notes to the Accounts	14		
The Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Schedules to the Consolidated Accounts

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
500000000 Equity Shares of Re. 1 each	5000	5000
600000 Preference Shares of Rs.100 each	600	600
9000000 Preference Shares of Rs.10 each	900	900
	6500	6500
Issued, Subscribed and Paid Up		
159927586 Equity Shares of Re.1 each fully paid *	1599	1599
	1599	1599

Note :

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

SCHEDULE 2 : RESERVES AND SURPLUS

Amalgamation Reserve		
As per Last Balance Sheet	637	637
Capital Reserve		
As per Last Balance Sheet	23	23
Capital Redemption Reserve		
As per Last Balance Sheet	1395	1395
General Reserve		
As per Last Balance Sheet	10498	15711
Less : Adjustment of Exchange Rate Differences	– 10498	5213 10498
Surplus in Profit and Loss Account	5743	5544
	18296	18097

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 3 : SECURED LOANS		
Banks		
Working Capital	33461	45370
Foreign Currency Term Loan	54096	73335
Rupee Term Loan	37410	124967
		13000
		131705
Others		
Loan from Distt. Industries Centre		
Government of Haryana (Interest Free)	550	905
	125517	132610

Notes :

- Working Capital Loans are secured by way of first charge on the current assets of the Company, both present and future.
- Foreign Currency Term Loans from banks are secured by way of pari-passu charge on specified movable and immovable assets (Installed/yet to be installed) of the Company.
- Rupee Term Loans of Rs. 31018 Lakhs are secured by pari-passu charge on fixed assets of plant at Rewari, Chennai, T-16 and T-7 Talaja and also equitable mortgage of landed property at Rewari and T-7 Talaja. The Balance being Short Term Loan of Rs. 6392 Lakhs are secured by way of subservient charge on fixed assets of plant at Rewari, Roorkee and Chennai.
- Loan from Distt. Industries Centre is secured by way of first pari-passu charge on fixed assets of plant at Rewari.

SCHEDULE 4 : UNSECURED LOANS

Short Term Loans From Banks	2813	9094
Foreign Currency Loan	21435	24213
	24248	33307

SCHEDULE 5: FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation				Net Block		
	As at 1 st April, 2009	Additions	Deductions	As at 31 st March, 2010	As at 1 st April, 2009	For the Year	Deductions	As at 31 st March, 2010	As at 31 st March, 2010	As at 31 st March, 2009
Tangible Assets										
Freehold Land	1814	—	—	1814	—	—	—	—	1814	1814
Leasehold Land	1645	—	26	1619	212	18	4	226	1393	1433
Buildings	39320	(1901)	460	36959	4717	1107	21	5803	31156	34603
Plant and Machinery	145348	(2417)	473	142458	56059	10260	88	66231	76227	89289
Electrical Installations and Fittings	15990	(436)	40	15514	5707	847	—	6554	8960	10283
Furniture and Fixtures	1108	18	1	1125	475	60	1	534	591	633
Miscellaneous Assets	3231	74	19	3286	1685	234	14	1905	1381	1546
Vehicles	885	16	67	834	313	80	28	365	469	572
	209341	(4646)	1086	203609	69168	12606	156	81618	121991	140173
Intangible Assets										
Computer Software	1761	72	—	1833	1113	284	—	1397	436	648
Licence Fee	1115	—	—	1115	1115	—	—	1115	—	—
E-Mark Charges	77	7	—	84	33	12	—	45	39	44
	2953	79	—	3032	2261	296	—	2557	475	692
Total	212294	(4567)	1086	206641	71429	12902	156	84175	122466	140865
Previous Year	189203	23573	482	212294	59889	11706	166	71429	140865	
Capital Work-in-progress (Including Capital Advances)									5445	4233
Impaired Assets Held For Disposal									125	119

Note :

Buildings, Plant and Machinery and Electrical Installations exclude Rs. 9016 Lakhs (Previous year include Rs.12211 Lakhs) being (decrease)/increase in rupee liability in respect of differences in Foreign Exchange Rates as per Companies (Accounting Standards) Amendment Rules 2009.

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 6 : CURRENT ASSETS		
Inventories (As taken, valued and certified by Management)		
i) Stores and Spare parts	6575	6136
ii) Raw Materials	7347	6948
iii) Finished and Traded Goods	16318	20876
iv) Waste	56	63
v) Work in Process	2037	1490
	32333	35513
Sundry Debtors (Considered good except where provided for)		
Secured		
Over Six Months	30	11
Others	348 378	320 331
Unsecured		
Over Six Months	2858	2114
Others	14510 17368	15112 17226
	17746	17557
Considered Good	17632	17463
Considered Doubtful	114	94
Less : Provision for Doubtful debts	114	94
	17632	17463
Cash and Bank Balances etc.		
Cash in Hand (As certified)	48	67
Cheques in Hand/Remittances in Transit	4	–
Balance with Post Office in Saving Account *	–	–
Balances with Scheduled Banks		
Current/Cash Credit Accounts	1219	1599
Deposit Account	163	8
Dividend Warrant Account	158	164
	1592	1838
Other Current Assets (Unsecured and considered good)		
Interest Accrued on Investments *	–	–
Deposits with Government and others	1380	1331
	1380	1331
* Rounded off to Nil.		

SCHEDULE 7 : LOANS AND ADVANCES

(Unsecured and considered good)		
Loans (Including interest accrued)	105	82
Advances		
Advances recoverable in cash or in kind or for value to be received and/or adjusted	4935	4796
MAT Credit recoverable	1407	1407
Advance Income Tax (Net of provision)	126	31
Balance with Excise Authorities	974	2296
	7547	8612

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	–	866
Sundry Creditors		
Micro, Small and Medium Enterprises	83	–
Others	16542	19499
Advances from Customers	1304	3713
Unclaimed Dividend *	158	164
Other Liabilities	2442	2397
Interest accrued but not due on loans	1158	1587
	21687	28226
Provisions		
Fringe Benefit Tax (Net of taxes paid)	25	43
Employee Benefits	478	379
	503	422

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

	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
SCHEDULE 9 : OTHER INCOME		
Interest	63	43
Rent Received	1	2
Diminution in Value of Investments Reversed	28	–
Profit on Sale of Fixed Assets (Net)	259	–
Exchange Rate Fluctuations (Net)	1522	–
Foreign Currency Monetary Item Translation Difference Account	126	–
Liabilities and Provisions Written Back	453	73
Commission Received	99	173
Miscellaneous	802	635
	3353	926

	Rs. Lakhs	
	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
SCHEDULE 10 : MATERIALS AND MANUFACTURING		
Raw Materials Consumed		
Opening Stock	6948	8541
Add : Purchases	34552	34213
	41500	42754
Less : Sales/Trial Run	–	248
Less : Closing Stock	7347	6948
	34153	35558
Excise Duty	(65)	(485)
Purchases of Finished Goods	1170	444
Manufacturing Expenses		
Power, Fuel, Water and Utilities	26061	28204
Stores and Spares etc. consumed	9511	9111
Miscellaneous Expenses	1251	1172
Repairs and Maintenance		
Plant and Machinery	3157	2682
Building	191	212
	3348	2894
Add : Decrease in Stocks		
Opening Stock		
Finished and Traded Goods	20876	21418
Work in Process	1490	1385
Waste	63	50
	22429	22853
Closing Stock		
Finished and Traded Goods	16318	20876
Work in Process	2037	1490
Waste	56	63
	18411	22429
	4018	424
	79447	77322

SCHEDULE 11 : PERSONNEL

Salaries, Wages Allowances and Bonus	7605	6797
Recruitment and Training Expenses	56	99
Welfare Expenses	1283	1288
Contribution to Provident and Other Funds	437	471
	9381	8655

	Year Ended 31 st March, 2010	Rs. Lakhs Year Ended 31 st March, 2009
SCHEDULE 12 : SELLING, ADMINISTRATION AND OTHERS		
Advertisement	208	156
Packing and Forwarding	9633	10661
Commission Paid	630	868
Royalty	2090	2376
Cash Discount	598	672
Bank Charges	500	454
Travelling and Conveyance	562	671
Rent	334	423
Rates and Taxes	426	283
Insurance	413	445
Auditors Remuneration	36	33
Repairs and Maintenance-Others	177	250
Miscellaneous Expenses	2321	2679
Provision for Doubtful Debts and Advances	17	4
Loss on Sale of Fixed Assets (Net)	–	134
Exchange Rate Fluctuations (Net)	–	3215
Amortisation of Foreign Currency Monetary Item		
Translation Difference Account	–	618
Director's Sitting Fee	6	7
Bad Debts and Advances	137	175
	18088	24124

SCHEDULE 13 : INTEREST

Interest				
On Fixed Loans	9017		5493	
Others	3919	12936	7205	12698
		12936		12698

SCHEDULE 14 : NOTES TO THE ACCOUNTS

1. Statement of Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, Accounting Standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

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. and associates.

The subsidiary companies considered in the Consolidated Financial Statement 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	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 Limited	As on 31 st March, 2010
ii) Asahi India Map Auto Glass Ltd.	Audited	India	49.98	Asahi India Glass Limited	As on 31 st March, 2010
iii) Vincotte International India Assessment Services (P) Ltd.	Un-Audited	India	20.00	Asahi India Glass Limited	As on 31 st March, 2010

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

- i) 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.
 - ii) The goodwill/capital reserve on consolidation is recognised in the Consolidated Financial Statements.
 - iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
 - iv) Minority interest in the net income and net assets of the Consolidated Financial Statements is computed and shown separately.
 - v) Investments in associate companies have been accounted under the equity method as per Accounting Standard (AS)-23 Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- c) 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. Interest and other income is accounted for on accrual basis. Dividend income is accounted when right to receive the same is established.
- d) Fixed Assets**
- i) Fixed assets are carried at the cost of acquisition less accumulated depreciation. The cost of fixed assets includes 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 treated as Pre-operative expenses pending allocation to the assets. These expenses are apportioned to fixed assets on commencement of commercial production.
 - iii) 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

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

Intangible Assets

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

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 basis of determining cost for various categories of inventories is 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 process and finished goods	Material cost plus appropriate share of production overheads and excise duty wherever applicable.
Traded Goods	First in First Out Method based on actual cost.

g) Employee Benefits

Contribution to Defined Contribution schemes such as Provident Fund etc. is charged to the Profit and Loss Account as and when incurred. The Company has a scheme of gratuity fund towards retirement benefits where the Company has no liability other than its annual contribution.

In the Company the Gratuity Fund benefits are administered by a Trust recognised by Income Tax Authorities through the Group Schemes of HDFC Standard Life Insurance Co. Ltd. and Life Insurance Corporation of India. 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 Profit and Loss Account. Profits and losses arising out of actuarial valuations are recognised in the Profit and Loss Account as income or expense.

The Company provides for the encashment of leave subject to 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 Profit and Loss Account.

In AIS Glass Solutions Ltd. subsidiary, gratuity liability is provided as per actuarial valuation on Balance Sheet date.

h) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. 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 Profit and Loss Account.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009.

In respect of transactions covered by forward exchange contracts, the difference between exchange rate on the date of the contract and the year end rate/settlement date is recognised in the Profit and Loss Account. Any premium/discount on forward contract is amortised over the life of the contract. Any profit or loss arising on cancellation or renewal of such a contract is recognised as income or expense for the period.

i) 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 asset 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.

j) Impairment of Assets

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

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

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.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1235 Lakhs (Rs. 409 Lakhs) (net of advances).

3. Contingent Liabilities for :

		Rs. Lakhs	
		As at 31 st March, 2010	As at 31 st March, 2009
a)	Bank guarantees and letters of credit outstanding	2646	2988
b)	Claims against the Company not acknowledged as debts (excluding interest and penalty which may be payable on such claims)		
i)	Excise and Custom Duty (including referred in Note No. 5)	2784	2737
ii)	Disputed Wealth Tax Demands	10	10
iii)	Corporate Guarantees	5168	5167
iv)	Channel Financing from Bank	1154	1223
v)	Disputed Sales Tax Demands	968	2564
vi)	Others	—	13

4. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on confirmations obtained from suppliers and information available with the Company are as under :

Rs. Lakhs

Particulars	As at 31 st March, 2010
a) The principal amount remaining unpaid to Suppliers as at the end of accounting year	83
b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year	—
c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	—
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	—
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	—
f) The amount of further interest remaining due and payable even in the succeeding years	—

Previous year figures are not available as the Company was in the process of compiling relevant information from its suppliers last year.

5. a) In a previous year, in Auto SBU of the Company, Custom and Central Excise Settlement Commission settled Excise Duty Liability at Rs. 368 Lakhs (excluding interest) out of which the Company had accepted liability of Rs. 56 Lakhs and paid the same alongwith interest of Rs. 20 Lakhs. The matter was decided in favour of the Company by the High Court of Delhi against which SLP of the Excise Department has been accepted by the Supreme Court of India.
- b) Deputy Commissioner of Customs (Original Authority) in a previous year issued an order imposing additional custom duty of about Rs.1606 Lakhs on the value of project imports made by erstwhile Floatglass India Ltd. (amalgamated with the Company with effect from 1st April, 2002). On appeal by the Company, Commissioner Customs (Appeals) set aside the above order on 25th November, 2002 against which the Commissioner of Customs filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal. In a previous year the matter was remanded back to the Original Authority for fresh decision. The liability, if any, will be accounted on final decision by Original Authority.
6. The balance of Rs. 126 Lakhs in "Foreign Currency Monetary Item Translation Difference Account" is after adjustment of Rs.126 Lakhs recognised as income for the year which is in accordance with Companies (Accounting Standards) Amendment Rules 2009, relating to Accounting Standard (AS-11).

7. **Details of Deferred Tax Assets/(Liabilities) arising on account of timing differences are as follows :**

Rs. Lakhs

	As at 31 st March, 2010	As at 31 st March, 2009
Unabsorbed depreciation/carried forward losses under Tax Laws	14120	14359
Difference between book depreciation and depreciation under the Income Tax Rules	(11499)	(11587)
Expenses allowed for tax purpose on payment basis	41	35
Provision for doubtful debts and advances	35	22
Others	—	(421)
	2697	2408

8. Capital work-in-progress comprises of the following :

	As at 31 st March, 2010	Rs. Lakhs As at 31 st March, 2009
Building under construction	146	244
Plant and Machinery under erection	2858	2848
Electrical installations under erection	10	16
Capital advances	1701	842
Pre-operative expenses	708	217
Others	22	66
	5445	4233

9. Earnings Per Share (EPS) :

	2009-10	Rs. Lakhs 2008-09
Profit/(Loss) After Tax as per Profit and Loss Account	179	(4218)
Tax adjustments of earlier years	20	(44)
Profit/(Loss) Attributable to Equity Shareholders – (A)	199	(4262)
Basic/ Weighted average number of Equity Shares outstanding - (B)	159927586	159927586
Nominal Value of Equity Shares (Re.)	1/- each	1/- each
Earnings Per Share (Basic and Diluted) (Rs.) – (A)/(B)	0.12	(2.67)

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

a) List of Related Parties :

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

b) Transactions with Related Parties :

Rs. 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	
	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009
1. Expenses								
- Purchase of materials	-	-	-	-	-	-	4061	6867
- Stores and Spares	-	-	-	-	-	-	1209	-
- Purchase of traded goods	-	-	-	-	-	-	239	335
- Business promotion expenses	-	-	-	22	-	-	3	2
- Remuneration to directors	-	-	-	-	64	110	-	-
- Directors sitting fee	-	-	-	-	1	1	-	-
- Rent paid	-	-	18	18	9	13	-	-
- Fee for technical and consultancy services	-	-	3	-	-	-	164	12
- Donation	-	-	-	1	-	-	-	-
- Training expenses	-	-	*-	15	-	-	-	-
- Repairs and Maintenance	-	-	*-	-	-	-	33	85
- Miscellaneous Expenses	-	-	-	-	-	-	11	-
- Royalty	-	-	-	-	-	-	2090	2374
- Membership and Subscription	-	-	1	-	-	-	-	-
- Commission	-	-	-	-	-	-	3	3
- Interest Others	-	-	-	-	-	-	37	-
2. Income								
- Sale of goods etc.	3408	3723	-	-	-	-	3503	6366
- Interest/Commission received	7	6	-	-	-	-	102	131
- Rent received	-	-	-	-	-	-	13	-
3. Purchases of Capital Goods	-	-	-	-	-	-	925	1604
4. Investment in Equity Shares	-	70	-	-	-	-	-	-
5. Loans/Advances Given	40	-	-	-	-	-	898	-
6. Balance as on	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009
- Loans and advances	80	40	18	18	-	7	2	15
- Creditors	-	-	-	-	-	-	3374	5111
- Debtors	665	790	-	-	-	-	427	665
- Foreign Currency Loan	-	-	-	-	-	-	21435	24213

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

* Rounded off to Nil.

11. Segment Information :

a) Information about Primary Business Segments :

Rs. Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	71330	53880	6867		132077
	(52143)	(66149)	(6055)		(124347)
Inter segment sales (Net of excise duty)	248	9732	1281	(11261)	–
	(98)	(4873)	(984)	(-5955)	(–)
Other income			599		599
			(410)		(410)
Total revenue	71578	63612	8747	(11261)	132676
	(52241)	(71022)	(7449)	(-5955)	(124757)
Segment result	12421	(30)	35		12426
	(2787)	(226)	(-181)		(2832)
Unallocated Income (net of expenses)			283		283
			(–)		(–)
Operating profit	12421	(30)	318		12709
	(2787)	(226)	(-181)		(2832)
Interest expense			(12936)		(12936)
			(-12698)		(-12698)
Interest income			63		63
			(43)		(43)
Income taxes - Current Tax			(7)		(7)
			(-7)		(-7)
- Deferred Tax (Net)			289		289
			(5672)		(5672)
- Fringe Benefit Tax			–		–
			(-112)		(-112)
Taxes adjustments for earlier years			20		20
			(-44)		(-44)
Net Profit/(Loss)	12421	(30)	(12253)		138
	(2787)	(226)	(-7327)		(-4314)
Other information					
Segment assets	72526	103526	13156		189208
	(70449)	(121038)	(19084)		(210571)
Total assets	72526	103526	13156		189208
	(70449)	(121038)	(19084)		(210571)
Segment liabilities	11956	7602	2632		22190
	(14381)	(10768)	(3499)		(28648)
Share capital and reserves			20021		20021
			(18458)		(18458)

Rs. Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Minority Interest			(71)		(71)
			(-44)		(-44)
Secured and unsecured loans			149765		149765
			(165917)		(165917)
Deferred Tax (Assets)			(2697)		(2697)
			(-2408)		(-2408)
Total liabilities	11956	7602	169650		189208
	(14381)	(10768)	(185422)		(210571)
Capital expenditure	1373	(5075)	341		(3361)
	(8745)	(1094)	(12786)		(22625)
Depreciation / Amortisation	5352	6478	1072		12902
	(4702)	(6038)	(966)		(11706)

b) Information about Secondary Business Segments :

Particulars	India	Outside India	Total
Revenue by Geographical Market			
External	134290	9647	143937
	(114775)	(15937)	(130712)
Less : Inter segment sales (Net of excise duty)	11261		11261
	(5955)		(5955)
Total	123029	9647	132676
	(108820)	(15937)	(124757)

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

13. Figures have been regrouped off to Rs. Lakhs.

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

Shailesh Agarwal
Chief Financial Officer

Gopal Ganatra
Head - Legal &
Company Secretary

Place : New Delhi
Dated : 14th May, 2010

Place : Gurgaon
Dated : 14th May, 2010

Consolidated Cash Flow Statement

Rs. Lakhs

	2009-2010 Amount	2008-2009 Amount
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before tax and extraordinary items	(68)	(9736)
Adjustment for :		
Depreciation and Amortisation of Intangible Assets	12902	11706
Reversal of Impairment Loss	(10)	(14)
(Profit)/Loss on sale of fixed assets and assets discarded (Net)	(259)	134
(Reversal)/Provision for diminution in value of Long Term Investments	(28)	28
Amortisation of Foreign currency Monetary Item	(126)	618
Deferred revenue expenditure written off	–	2
Interest paid	12936	12698
Interest received	(63)	(43)
Operating Profit before working capital changes	25284	15393
Adjustment for :		
Trade and other receivables	558	(5301)
Inventories	3179	1052
Trade payable	(6452)	7774
CASH GENERATED FROM OPERATIONS	22569	18918
Interest paid	(12936)	(12698)
Direct taxes paid	302	(2715)
Increase in Foreign Currency Monetary Item	1490	(163)
CASH FLOW BEFORE PRIOR PERIOD ITEMS	11425	3342
Prior Period items (Net)	(96)	(87)
NET CASH FROM OPERATING ACTIVITIES	11329	3255
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including capital		
work-in-progress	3361	(26555)
Sale of fixed assets	1189	182
Purchase of Investments	(91)	(75)
(Reversal)/Provision for diminution in value of Long Term Investments	28	–
Interest received	63	43
NET CASH USED IN INVESTING ACTIVITIES	4550	(26405)

		Rs. Lakhs	
		2009-2010	2008-2009
		Amount	Amount
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Shares		33	4
Proceeds of long term borrowings		24410	23912
Repayment of long term borrowings		(22372)	(4866)
Net proceeds of short term borrowings		(18190)	4193
NET CASH USED IN FINANCING ACTIVITIES		(16119)	23243
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)		(240)	93
CASH AND CASH EQUIVALENT As at 1st April, 2009 (Opening Balance)		1674	1581
CASH AND CASH EQUIVALENT As at 31st March, 2010 (Closing Balance)		1434	1674

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.

As per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants
(Registration No. 001378N)

On behalf of the Board of Directors

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

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Place : New Delhi
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