

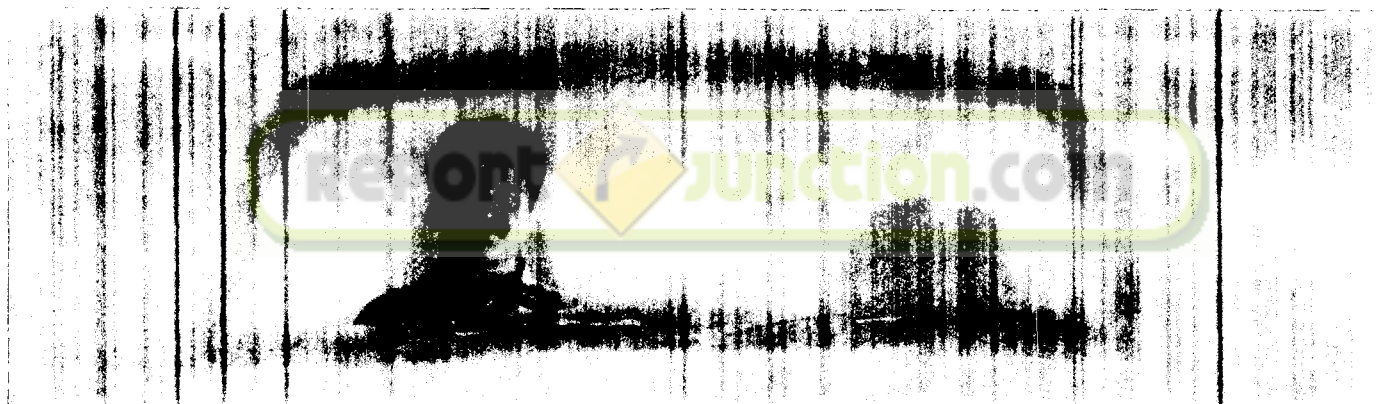
12th Annual Report 1996-97



Asahi India Safety Glass Ltd.

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FEELING SAFE



Knowing that you are well protected.

Cocooned by Lamisafe – laminated

safety windshields from Asahi India

Safety Glass Ltd.

Safe in the knowledge, that god

forbid, if something untoward was

to happen, it wouldn't leave a

permanent mark on you.



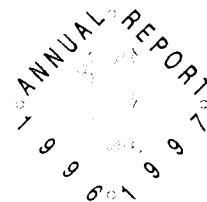
GLOBAL CLIENTS



Your organisation meets the 100% requirement for automotive safety glass of Maruti Suzuki, GMI's Opel Astra, Uno and Daewoo Motors' Cielo. It also supplies to Telco, Mahindra & Mahindra, PAL Peugeot, Ashok Leyland Iveco, Eicher Motors and Swaraj Mazda.



Asahi India Safety Glass Ltd.



BOARD OF DIRECTORS

MD	✓		BKC	✓
CS	✓		DPY	✓
RC	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		

CHAIRMAN

B.M. Labroo

MANAGING DIRECTOR

S. Labroo

TECHNICAL DIRECTOR

T. Sakai

DIRECTOR (W & Adm.)

P.L. Safaya

DIRECTORS

H. Kobayashi

A. Nandy

Dr. S. Kapur

T. Kato

COMPANY SECRETARY

Anita Goel

D.G.M. FINANCE

Ashok Kumar

For Asahi India

Company Secretary

TECHNICAL AND FINANCIAL COLLABORATORS

Asahi Glass Co.Ltd.,
1-2 Marunochi, 2 Chome
Chiyodu-Ku, Tokyo, Japan.

AUDITORS

Jagdish Sapra & Co.,
Chartered Accountants,
23, Prakash Apartments,
5, Ansari Road,
Darya Ganj,
New Delhi-110002.

BANKERS

The Bank of Tokyo Ltd., New Delhi.
The Hongkong & Shanghai
Banking Corporation, New Delhi.
State Bank of India,
Vasant Vihar, New Delhi.
CITIBANK NA, New Delhi.
Punjab National Bank, Rewari.
State Bank of India, Rewari.
Punjab National Bank, New Delhi.

REGISTERED OFFICE

12, Basant Lok, New Delhi-110057.

WORKS

94.4 KM Delhi-Jaipur Highway,
Vill. Jaliawas, Teh. Bawal,
Distt. Rewari, Haryana.

REGISTRARS AND SHARE TRANSFER AGENTS

Magnum Business Services Pvt. Ltd.,
35/A, Sant Nagar,
East of Kailash, New Delhi-110065.

For Asahi India Safety Glass Ltd.



Asahi India Safety Glass Ltd.

Company Secretary

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DIRECTORS' REPORT

Your Directors have the pleasure of presenting the Twelfth Annual Report along with the audited Statement of Accounts for the Financial Year ended March 31, 1997.

FINANCIAL RESULTS

The working results of your Company for the year under review may be summarised as under:

	Year ended 31.03.97 (Rs. lakhs)	Year ended 31.03.96 (Rs. lakhs)
Sales and other Income (Gross)	<u>14,785.77</u>	<u>9,226.88</u>
Profit before Depreciation, Interest and write off of Miscellaneous Expenditure	2,851.03	1,680.99
Less : Interest	1,017.01	664.96
Gross Operational Profit	1,834.02	1,016.03
Less : Depreciation	1,146.99	601.34
Less : Miscellaneous Expenditure Written off	<u>61.83</u>	<u>45.18</u>
Profit before Taxation	625.20	369.51
Less : Provision for taxation	<u>81.00</u>	<u>NIL</u>
Profit after Tax	<u>544.20</u>	<u>369.51</u>

Your Directors have made the following appropriations:

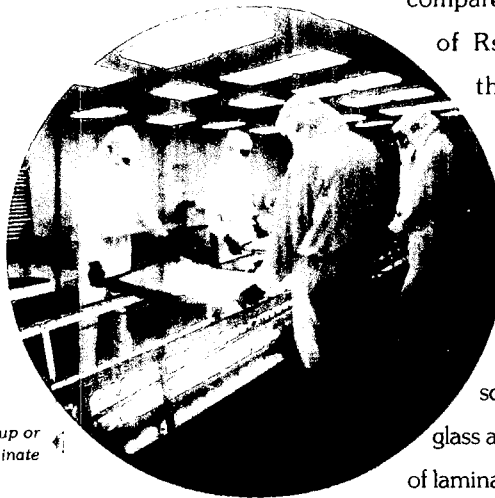
To General Reserve	400.00
Leaving Available(for the current financial year)	144.20

of which your Directors propose that Rs. 101.72 lakhs be distributed by way of Dividend (inclusive of tax) on the equity shares at the rate of Rs. 5 per share, in respect of which the Company shall bear the tax burden and no deduction of tax at source shall be made. The balance amount of Rs. 243.45 lakhs (including Rs. 200.97 lakhs be carried forward as profit from the previous years and Rs. 42.48 lakhs profit from the current year) to be carried to the Balance Sheet as Surplus. The dividend shall be paid after the same is approved.



OPERATIONS

Bending Process of
Laminated Glass
in an E.S.U. furnace



Setting up or
Laying of Laminate

During the year under review 1996-97, your Company achieved a gross sales turnover of Rs. 14,785.77 lakhs as compared to a gross turnover of Rs. 9,226.87 lakhs in the previous year and produced 10,25,084 square metres of tempered glass and 5,74,701 windshields of laminated glass as compared to 10,20,063 square metres of tempered glass and 1,37,415 windshields of laminated glass in the previous year. These figures represent a growth of 60% in the gross turnover, 0.49% in the production of tempered glass and 318.22%

in the production of laminated glass over the last year. Your Company had successfully implemented its expansion plan in the year 1996-97. As a result of this, the installed capacity in the laminated plant increased to 7,50,000 windshields and the installed capacity in the tempered plant increased to 11,37,000 square metres from 7,37,000 square metres in the financial year 1995-96. Consequent to these expansions, the profit before depreciation and tax (PBDT) during 1996-97 went up from Rs. 970.85 lakhs to Rs. 1,772.19 lakhs implying a growth of 82.54% in cash profits. Post tax profit for the year under





review was Rs. 544.20 lakhs (after making tax provision of Rs. 81 lakhs) against Rs. 369.51 lakhs (no provision for tax made) during the last year. Most of the vehicle manufacturers have achieved higher targets than in the previous year. AIS's main customer MUL produced and sold 3,36,865 vehicles up from 2,77,000 in the year before. The year 1996-97 saw a sharp increase in AIS's production and sales of laminated windshields up



Unloading of Tempered Glass out of Roller Hearth Furnace

by almost four times from the last year. This major surge came on account of the Government of India's legislation which made it mandatory for all vehicles to use laminated windshields from 26th March, 1996 coinciding with the start of the financial year. During the year, besides continuing supplies to existing customers like Maruti



Autoclave Subjecting the Laminate to High Pressure and Temperature

Udyog Ltd., TELCO, Mahindra & Mahindra, Daewoo Motors, AIS commenced commercial supplies to a host of other vehicle manufacturers, including GMIL, PAL-Peugeot & PAL-Uno (in the passenger car segment), Ashok Leyland, Eicher Motors and Swaraj Mazda (in the commercial vehicle segment). With this, AIS supplies automotive safety glass to almost all vehicle manufacturers in the country. Of these MUL, Daewoo and GMIL have seen it fit to rely solely on AIS for their full requirement of automotive glass. AIS's share with other manufacturers is also on the rise.



Asahi India Safety Glass Ltd.

AUTOMOBILE INDUSTRY

The year under review saw the automobile industry grow by 14% to 4.2 million units from 3.7 million units. Of this, the passenger car segment grew by 16% to 4,04,000 units, the Jeeps and LCV segment grew by 14% to 2,15,000 units, and the HCV sector grew by 20% to 1,55,000 units. This growth is extremely healthy as it follows 3 years of more than 25% annual growth. There is, however, some concern as the growth rate in the final quarter of 1996-97 and the first quarter of 1997-98 has dropped dramatically. The year under review also saw an introduction of new vehicle manufacturers which has led to severe competition in certain segments of the industry. Your Company

has been successful in supplying the requirements of most of the new entrants and has consolidated and increased its market share in this period.

BONUS ISSUE

During 1997-98 your Company's Board of Directors has proposed

issue of Equity Shares by way of Bonus to the existing Share holders of the Company in the ratio of 1:1 (one share to be allotted for one held) subject to the approval of share

holders to be obtained in the Annual General Meeting to be held on 27th August, 1997. Record date for the purpose of Bonus issue shall be 2nd December '97.



Loading Position of Glass into
the Roller Hearth Furnace
(for producing Tempered Glass)





PROSPECTS



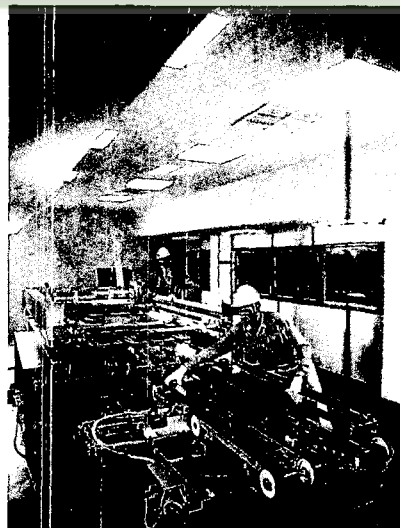
▶ Laminates being processed in the Autoclave under high temperature and pressure

During the first quarter of the current financial year 1997-98, your Company has achieved a gross sales turnover of Rs.3,785 lakhs and produced 3,07,590 square meters of tempered glass and 1,54,748 numbers of windshields of laminated glass as compared to gross turnover of Rs. 3,545 lakhs, tempered glass production of 2,28,793 square meters and 1,28,835 numbers of windshields of laminated glass.

AIS anticipates the current financial year to be one of consolidation, after a period of continuous expansions over the last four years. While the industry might not see top line growth of the prior years, there is ample scope to enlarge the market and make improvements in bottom

line items. Your Company will use this period to strengthen its quality, cost, and delivery parameters to provide better service and reduce costs. Your Company will also work to enlarge its presence in the replacement and export market for growth.

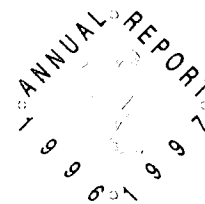
With the introduction of technically advanced vehicles, a growing consciousness of safety and quality amongst consumers and manufacturers, the investments by your Company in technology, quality and training will help it grow in this period of moderate growth. In the long term the automobile



▶ Loading of Glass in the new Printing Line set up in the Laminated Plant



Asahi India Safety Glass Ltd.



industry, and therefore the component industry, has a bright future as our nation has only begun to scratch at the surface of national motorisation.

DIRECTORS

Mr. Y. Takei, Director of your Company, resigned as a result of his taking up a new assignment in Asahi Glass Company Ltd., Japan. Mr. Hajime Kobayashi has joined as a Director of your Company. Your Directors would like to place on record their sincere appreciation of the efforts put in by Mr. Y. Takei and would like to welcome Mr. Hajime Kobayashi into the Board.

AUDITORS

M/s Jagdish Sapra & Co., Chartered Accountants, Auditors of your Company retire and being eligible, offer themselves for reappointment. The observations made by the Auditors in their Report Vide Note No. 17(B) 10, 11, 12 & Note No. 2 in Sch.3 annexed to accounts are self explanatory and requires no further comments.

PERSONNEL

Industrial relations with employees have been cordial. Your company's management and its employees are working jointly towards maximizing productivity.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge with gratitude the co-operation and assistance extended to your Company by its customers, the Central Government, the Government of Haryana and your Company's Bankers. Your Directors wish to further place on record their special gratitude to its joint venture partners-Asahi Glass Company Ltd., of Japan and Maruti Udyog Ltd., and also to its dedicated employees.

Your Directors seek to assure you that all efforts will be made for improving your company's performance in the years to come.

for and on behalf of the Board

B. M. LABROO
CHAIRMAN

New Delhi
21st July, 1997

Certified true
For Asahi India Safety Glass Ltd.

Anil
COMPANY SECRETARY



Asahi India Safety Glass Ltd.