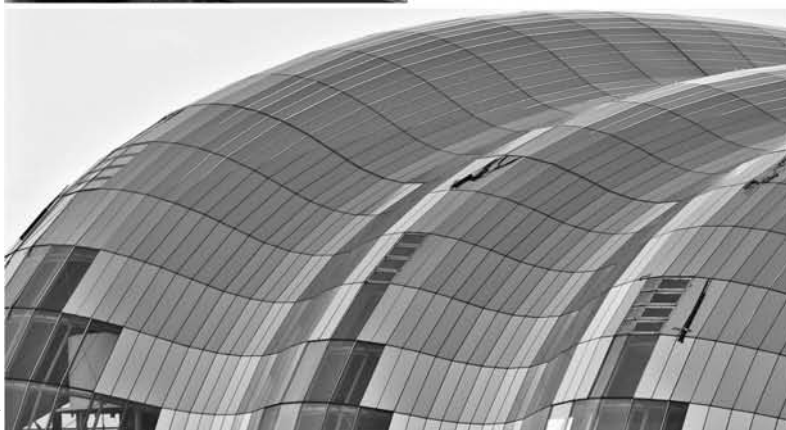





Asahi India Glass Ltd.





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 that we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks 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.



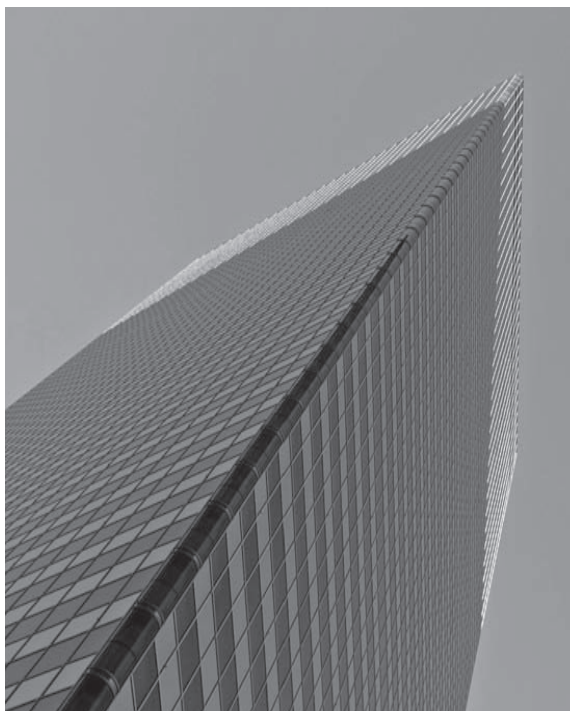
Vision - Mission - Guiding Principles	03
Chairman's Letter	04
About AIS	06
Ten Years' Financial Snapshot	09
Harvesting Growth	10
Corporate Information	16
Management Discussion & Analysis	18
Corporate Social Responsibility	26
Q. & A. with MD & CEO	28
Report of the Directors	30
Report on Corporate Governance	35
Auditors' Certificate on Corporate Governance	49
Auditors' Report (Standalone)	50
AIS - Financials (Standalone)	54
Statement relating to Subsidiary Companies	78
Auditors' Report (Consolidated)	79
AIS - Financials (Consolidated)	80
Notice to Shareholders	97
Shareholder's Reference At a Glance	100
Member's Response Form	101

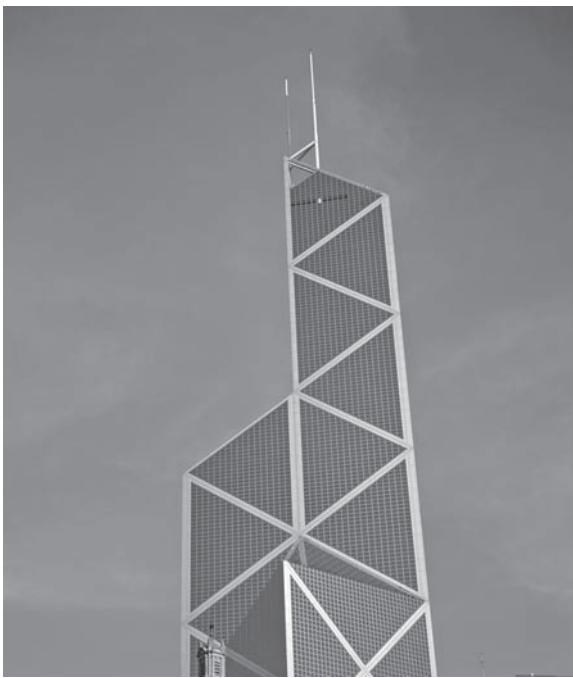
Asahi India Glass Limited (AIS) is the largest integrated glass Company in India offering end to end solutions across the entire glass value chain and delivers best-in-class 'glass experience' to its customers at optimal costs. It manufactures a wide range of automotive glass, float glass, architectural processed glass, glass products and windows. Besides it also provides expert services in glass installation, design & retail, repair and allied services in the automotive and architectural glass value chain.

Today, AIS is the only Company in India which offers the ideal combination of customised glass solutions, uses high quality captive glass manufactured at AIS factories and delivers the expertise and knowledge of design, installation and retail. Being a full scale products and services provider, AIS offers glass solutions which touches millions of lives and help to create a sustainable, greener and energy efficient environment.

AIS is committed to offering excellent glass solutions through constant innovation in products, processes and solutions and is now in an exciting phase of scaling up its architectural glass offerings to the end consumer. To this effect, AIS shall consistently introduce new products and services across the architectural glass value chain.

Having completed 26 years in the Indian glass industry, AIS has reaffirmed its belief that sustainable businesses can only be built over the years with highest standards of accountability, transparency and equity in all its spheres and dealings with stakeholders. This belief has transformed AIS from a single product – single customer Company in 1987 to India's largest integrated glass Company today.





Vision

AIS's Vision is to "SEE MORE".

This by-line captures AIS's culture:

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

To transcend the ordinary

Mission

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

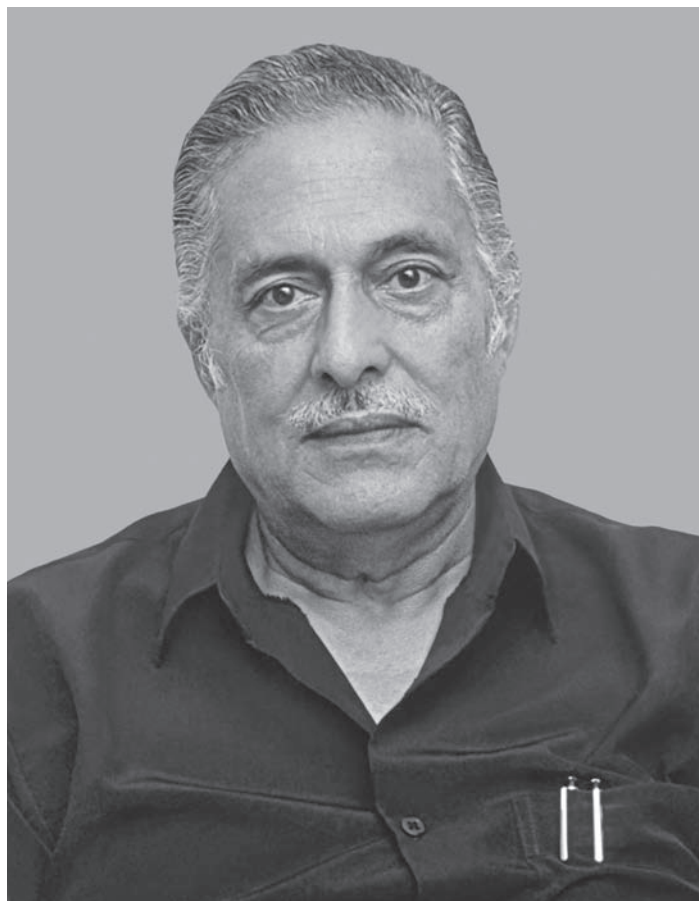
With major investments in place, it is now time to reap the benefits by execution for excellence.

Guiding Principles

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

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

Chairman's Letter



Dear Stakeholders,

I am delighted to connect with you once again through this annual report of our Company.

As you may be aware, economic data of 2010-11 has reaffirmed confidence in the global economic recovery. You would recollect that in the calendar year (CY) 2009, global output had actually reduced by 0.5% with advanced countries witnessing output contraction by (-) 3.4%. Even emerging and developing economies, who were earlier growing by over 6.5%, witnessed a reduction in growth rate to 2.7%. By the end of 2009 we had already started observing encouraging trends in the emerging economies of China and India, and in the world's largest economy – USA. Fortunately, this was no aberration and the positive trend continued through CY2010. Most of the developed economies bounced back – USA grew by 2.8% in CY2010 against (-) 2.6% in CY2009; the Euro Zone grew by 1.7% in CY2010 against (-) 4.1% in CY2009; and Japan grew by 3.9% in CY2010 against (-) 6.3% in CY2009.

The revival has been even more rapid in the emerging and developing economies. As a group, these countries witnessed a much higher output growth of 7.3% in CY2010. China grew by around 10% in CY2010, while India

recorded a GDP growth of 8.5% in 2010-11, on the back of 8% growth in 2009-10. One fact is clear, that in terms of the global economic downturn, I believe that the worst is behind us and on an average, global growth is back on track.

However, the revival in growth has also led to certain disconcerting developments. Most importantly, rising income and demand especially in emerging economies with growing supply side constraints and some degree of speculative activities have contributed to a significant increase in prices of commodities, especially food. From the second half of 2010-11, there has also been a major increase in crude oil prices. On the longer term, the persistent high level of inflation associated with such developments is a major dampener to consumer sentiments and demand.

Most central banks in emerging economies, like the Reserve Bank of India (RBI) reacted to high inflation by adopting a hard line in terms of monetary policy. Consequently, interest rates have increased by several basis points in these emerging economies, including India. High interest rates may hinder investments and future growth. These are worrisome and may affect growth in the near term even in India, but I do believe that the macro-economic fundamentals and the demographic characteristics are well in place to foster growth momentum in the long run.

As you are aware, AIS is directly linked with growth and developments of the two important sectors of the Indian economy – Automotive & Construction. With a revival in macro-economic fundamentals both our customer segments witnessed good growth in India. Total automobile sales increased by 27% in 2010-11, while the construction industry witnessed an output growth of 8% in 2010-11.

AIS made the most of the opportunities provided by a growing market to deliver much improved results. On a consolidated basis, net sales increased by 20% to Rs. 155,773 Lakhs, while total income increased by 19% to Rs.157,472 Lakhs. Operating EBIDTA (Earnings before Interest, Depreciation, Tax and Amortisation) increased by 9% to Rs. 27,974 Lakhs in 2010-11. At the Profit before tax (PBT) level, there was a loss of Rs.164 Lakhs in 2009-10. This has turned around to a profit of Rs.2,800 Lakhs in 2010-11. And, PAT (after minority interest and profits from shares in associates) has increased from Rs.199 Lakhs in 2009-10 to Rs.1,678 Lakhs in 2010-11.

Much of the improved performance was on account of the robust demand for our products, enhanced value addition, optimal product mix. The 'look within' programme initiated in 2008-09 has become integral to our management culture through which we continued to improve productivity and efficiency in all areas of operations. Such improvements have to some extent offset the higher costs of inputs, and were essential in halting significant margin declines.

While 'look within' continues to play its part and has become the culture of execution at AIS, the prime focus in the previous year was on enhanced value addition. The value added strategy, adopted earlier by AIS, continues to yield enriched results. Sales of value added products in our float business helped the SBU generate good revenues and margins. The hard work put in by the management team over the past few years in focussing on significant value addition, introduction of new products and services has yielded good results. While our hard coated reflective continued to do well, more importantly, we are now in the process of launching our soft coated reflective products. These products are at par excellence and our further stride towards sustainable solutions in green buildings, related regulations and greener planet.

We are also in the process of launching our initial venture into the organised glass retail space, with design and installation capabilities with an aim to give excellent 'glass experience' to our consumers. I am sure these are the businesses of the future and should be scaled up to their true potential. Our focus is to become a complete solutions provider in the architectural glass space with individual divisions or subsidiaries excelling in specific core competencies but with seamless integration to AIS, its roots and culture.

The automotive business continued to perform well and has held its dominant market share. Our auto glass plants operated at peak capacities and ensured full customer satisfaction, albeit, at the cost of efficiency and profitability. However, with the enhanced capacity additions in AIS Auto Glass recently and other brownfield expansions planned in the current year, we expect that the capacity constraint shall ease significantly and the SBU shall return to its earlier operating efficiencies. The significant and remarkable thing, to me personally, is the spirit of selflessness exhibited by AIS management to meet customer requirements in times of greatest need even at the cost of sacrificing efficiencies and profits. To me, this 'customer first' culture of AIS is a key differentiator which enables AIS to partner with OEMs for their strategic supplies.

I urge you to read the details of the developments and performance of the various businesses in the chapter on Management Discussion and Analysis.

You would recall that in 2004, AIS had rolled out a massive expansion plan with investments of over Rs.1,100 crore. For the auto business, this included the addition of new plants in Chennai and Roorkee, and capacity expansions at Bawal. The Company also entered the processed glass business with four plants in Chennai, Bawal, Roorkee and Taloja, and most importantly, invested in a massive float plant with mirror and hard coat reflective glass at Roorkee. In the next few years, we tied up the capital and actually worked on setting up the facilities. As the capacities were commissioned and we started dealing with the teething problems, the Company was faced with the global economic slowdown post the collapse of

Lehman Brothers in September 2008. In the last couple of years, we have toiled hard at realigning these new capacities with the changing contours of market demand. It also necessitated changes in strategy and organisation structures. And, I am happy to share that by the end of 2010-11, the spade work is now complete. The businesses have developed their product mixes, process flows, marketing strategy and distribution networks to start utilising these assets to the fullest and deliver returns. The re-orientation has also warranted some compelling incremental investments, but these have already started showing benefits. With the building blocks in place, your Company is now well positioned to harvest the growth that these investments will bring in the near future. I am confident of the team at AIS and its ability and commitment to implement this new phase of growth.

During 2010-11, Mr. K. Ichikawa joined the AIS Board in place of Mr. M. Ishiko as AGC's Nominee Director. I place on record the efforts and guidance of Mr. Ishiko and welcome Mr. Ichikawa on AIS Board of Directors. While focusing on enhancing shareholder value, AIS continued to be committed to being a responsible corporate citizen. The 'Corporate Social Responsibility' (CSR) programme of AIS continued to be executed as planned and budgeted. The focus areas of this programme are education, water and sanitation, rainwater harvesting and micro enterprise development. The initiatives benefit thousands of children and adults in and around the vicinities of AIS plants.

We expect some slowdown in the Indian economy in 2011-12. Already the last quarter of 2010-11 saw India's GDP growth dropping to 7.5%. However, this level of growth is still sufficient to offer several opportunities for AIS. Inflation and high interest rates will remain a concern. The good news is that we are aware of all this and our strategies are tuned to overcoming these challenges. We remain cautiously optimistic of our prospects in 2011-12. More importantly, I look forward to the unravelling of all the new initiatives and the implementation of the strategy that will 'harvest' the large seeds of investments already made.

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 the leading manufacturer of an extensive range of high quality glass and its dominant position has been well recognised in the glass industry.

AIS was formed pursuant to the joint venture between the Labroo family, Asahi Glass Co. Ltd. (AGC) and Maruti Suzuki India Ltd. (MSIL). The promoters jointly hold approximately 55% of paid-up equity capital of AIS and the balance 45% is held by public. Shares of AIS are listed on the National Stock Exchange and Bombay Stock Exchange.

AIS continues to maintain the highest standards of accountability, transparency, and integrity through its principles of corporate governance. AIS produces an entire range of quality glass products and has a long and successful presence in the Indian market. It has manufacturing scale, engineering capabilities and most importantly, AIS has the trust of its customers.

The product portfolio of AIS comprises of automotive safety glass, float glass, architectural processed glass, reflective glass, mirrors and other glass products and services provided under its following three Strategic Business Units (SBUs):

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

AIS Auto Glass

AIS Auto Glass holds a strategic position in the automotive glass industry. It caters to the demand of all the leading Indian and global automobile companies. The operations of AIS Auto Glass started in 1987 from a single plant and a single customer and since then, it has grown immensely to four plants and three sub-assembly units spanning across India. Such geographical presence gives AIS Auto Glass a unique advantage of being closer to its customers and deliver seamless service to them.

The market share of AIS Auto Glass stands around 77% in the OEM segment of Indian passenger car industry and a remarkable share in the after-market segment. It also exports auto glass to the after-markets in few countries.

The diversified portfolio of AIS Auto Glass comprises of 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 continues to work on innovative technologies and solutions to enable its customers provide enhanced safety and comfort features in their vehicles.





AIS Auto Glass has successfully expanded its portfolio into the commercial vehicle segment as well and is effectively meeting the demands of its customers. AIS Auto Glass is a major supplier to all the major automobile manufacturers, namely, Maruti Suzuki India Ltd., Hyundai Motors India Ltd., Volkswagen India Pvt. Ltd., Tata Motors Ltd., Toyota Kirloskar Motors Ltd., Mahindra & Mahindra Ltd., Honda Sael Cars Ltd., and many others.

AIS Auto Glass is the only glass entity which has been honoured with the prestigious Deming Application Prize in 2007 certifying the outstanding performance improvements achieved through application of Total Quality Management (TQM). The Bawal Plant of AIS Auto Glass was honoured with the "TPM Excellence Award - 2010" from Japan Institute of Plant Maintenance (JIPM). AIS is further committed to adhere to and maintain the highest standards of accountability, quality, delivery and customer satisfaction making it the preferred choice and strategic supplier to its customers.

AIS Float Glass

AIS Float Glass is the bedrock of glass operations of AIS and has grown consistently over the last few years. The product range of AIS Float Glass consists of a wide variety of glasses ranging from clear glass, tinted glass, reflective glass, solar control glass, lacquered glass, frosted glass and mirrors. In addition, AIS Float Glass also sells the entire range of AGC products in India as its commercial agent.

The main products manufactured by AIS Float Glass include:

- AIS Clear™ "Clear Float Glass"
- AIS Tinted™ "Less Heat More Privacy" Heat Absorbing Glass - Available in: Bronze, Grey, Green, Blue, Royal Blue, Cool Green, Aqua Blue
- AIS Supersilver™ "Beautiful Exteriors, Cool Interiors" Heat Reflective Glass - Available in Clear Green, Dark Blue, Bronze, Grey, Fern Green, Pacific Blue, Aqua Blue
- AIS Opal™ "Incredible Performance, Affordable Prices" Solar Control Glass - Available in Royal Blue, Cool Green, White Gold, Golden Bronze, Pearl Grey
- AIS Mirror™ "New Generation Distortion-Free Mirrors" Available in Clear, Aqua Blue, Green, Grey
- 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. Also available in a recently launched sparkling series in White and Beige.
- AIS Krystal™ "Only Branded Frosted Glass" Frosted Glass - Available in : Clear & patterned clear, Green, Blue.
- Ecosense™ "The green standard in glass" The newly launched high performance energy efficient glass.

The above products are sold and distributed through an extensive network of approx. 900 stockists and zonal offices in Delhi, Mumbai, Kolkata and Chennai with area representatives to ensure that its products reach across the country.

AIS Glass Solutions

AIS Glass Solutions is the architectural glass processing SBU of AIS. AIS Glass Solutions was set up in 2004 as a subsidiary of AIS to provide value added glass products and services. AIS Glass Solutions offers innovative architectural glass solutions to its customers by supplying a wide range of high quality architectural processed glass comprising of toughened glass, laminated glass, insulated glass and other varied products. The following products are supplied under the unit of AIS Glass Solutions:

- 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 Enclosures, AIS Tabletops, AIS Shelves etc.

The processing facilities of this SBU are located at Roorkee - Uttarakhand (North India), Taloja - Maharashtra (West India) and Chennai-Tamil Nadu (South India). It aims to ensure that the needs of its customers are fulfilled in the shortest possible time by providing with the appropriate glass and its most effective application. It also partners with the customer for maximum value addition to offer a one-stop solution for all their requirements.

AIS Glass Solutions latest offering is a comprehensive and integrated windows solutions - AIS VUE. As a natural extension, AIS Glass Solutions now offers the most comprehensive solution of windows - AIS VUE end to end window solutions, using UPVC frames, AIS VUE is manufactured at AIS Glass Solutions' factory at Faridabad, and is available in a wide range of designs, colours, performance parameters, offering numerous advantages of UPVC windows over the standard wooden or aluminium windows.

