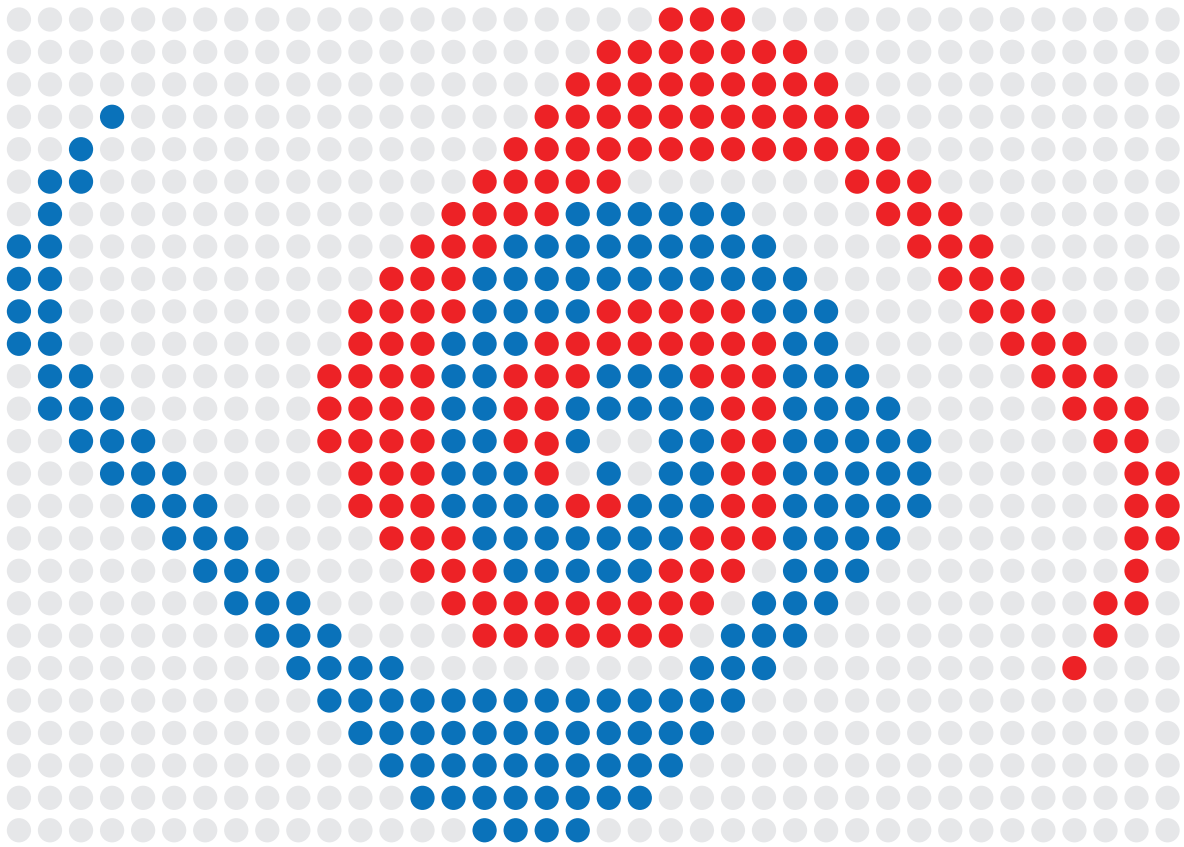




ASAHI INDIA GLASS LIMITED



Value Accretion through Value Addition

31st Annual Report 2015-16

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Caution regarding Forward-Looking Statements

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

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

Chairman's Message



Dear Shareholders,

From building strengths to creating value, it has been a differentiated journey for us, at AIS. It has been a journey of driving efficiencies today, while envisioning the needs of tomorrow. It has been a journey of mapping success through good foresight, visionary focus and a transformational approach, aligning AIS to global industry landscape.

As we move forward with renewed confidence in our ability to scale our value proposition at every step of this journey, we do it with a sense of satisfaction at our performance for the year gone by. Last year underlined the recovery of our numbers and reflected the expanding portfolio of our innovative products. The year gone by stood testimony to the strength of our value-accretive business philosophy, while the exciting range of our new technologically and aesthetically superior glass products showcased our prowess across the glass value chain.


Without doubt, it was an exciting year for your Company, and in fact for the industry at large, as the Indian economy remained on the growth track, led by a decline in oil prices and increase in real income. Positive government interventions and initiatives, backed by a low inflationary environment, contributed significantly to the resurgence in consumer confidence, which got reflected in increased consumer spending.

The automotive industry was a key beneficiary of the revival in consumer confidence, creating a positive growth scenario for your Company's Automotive Glass business. The Construction sector also witnessed some positivity with good demand for new value-added varieties of architectural glass. These positive economic indicators emerged as the key drivers of growth for your Company, which reported Net Sales at ₹ 2207.37 crores during FY 2015-16, as against ₹ 2096.58 crores in FY 2014-15.

EBIDTA increased to ₹ 432.31 crores from ₹ 343.23 crores, while Net Profit went up from ₹ 42.02 crores to ₹ 86.95 crores – an indication of the value accretion we have achieved in the past one year.

At the root of this value-centric performance was our re-energised focus on enhancing our capacities and capabilities to deliver customer-oriented glass solutions etched in tomorrow's needs and aspirations. The face of glass is transforming globally, creating new products that are more durable, versatile and aesthetically appealing, and also more eco-friendly and economically viable. Keeping pace with this transformation, we are also continuously evolving to drive higher value accretion for our expanding customer base, as well as our other stakeholders.

During FY 2015-16, we pushed our value proposition through focussed efforts to improve operational and cost efficiencies. Leveraging the inherent strengths of our



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business model, we further re-engineered some of our systems and processes to make them more efficient and effective. With customer delight and value at the centre of our growth charter, we raised the bar even higher to deliver holistic product and service offerings across our business segments. In a year packed with possibilities, we brought in increased diversification and higher efficiencies to ensure sustained growth.

Today, as we stand at the cusp of a new phase in our progressive agenda, we see ahead a huge opportunity, which we are well positioned to leverage. Riding on the improved economic sentiment, the glass industry seems poised for good growth. The macro external environment in the developed regions is also showing signs of positivity, triggering an improved demand potential.

I am confident that our innovation and efficiency led business strategy will enable us to make the most of the opportunities that we see ahead across our business segments, particularly in the Automotive and Architectural glass segments. The outlook for the Automotive

industry is bright indeed, with the consumer preference for luxury and fuel efficient cars expected to push business further in the coming years. The wide and continued acceptance by our OEM customers to partner with AIS in their new launches during FY 2015-16 underlines the strength and value accretion by AIS.

In the Architectural segment, glass is fast replacing concrete and other building materials to add a more dynamic and vibrant dimension to living and work spaces. Your Company, with its portfolio of designer products is ideally positioned to capitalise on the growing demand for glass in this segment.

Our strong value-driven edge in these segments will continue to expand our customer base to new markets, driven by our strategic brand promotion and marketing efforts. Our focus on strengthening our consumer connect through product innovations, coupled with consumer insights and technologically empowering initiatives, will also create more avenues for value accretive growth for your Company.

We shall further continue to augment our value proposition with our service excellence to enhance the consumer experience of our products. Empowered by our leadership strength, we are confident of driving greater value for all our stakeholders as we embark on the next phase of our growth odyssey.

During the year, Mr. K. Ayukawa, Nominee Director of Maruti Suzuki India Limited (MSIL) resigned from the Board and Mr. T. Hasuike joined the AIS Board. I am sure his experience & expertise will add immense value to our Company.

On this note, I would like to express my gratitude to all our stakeholders – customers, employees, partners, vendors and shareholders – for their collaborative support to our value-accretion efforts.

With best regards,



B.M. Labroo
Chairman

AIS : A Value-led Entity

India's leading integrated glass solutions company, Asahi India Glass Ltd. (AIS) is committed to drive continuous value accretion across its businesses. A leading player in the Indian glass industry, AIS provides end-to-end glass solutions across the automotive and architectural glass value chains. A Joint Venture between the Labroo family, Asahi Glass Co. Ltd., Japan (AGC) and Maruti Suzuki India Limited (MSIL), AIS also has a growing presence in the consumer glass and solar glass segments.

AIS commenced operations in 1987 and today has an extensive portfolio of innovative products and services, catering to institutional, distributed and retail requirements.

Raising the qualitative value bar

With the continuous improvement themes, increasing employee involvement and regular knowledge upgradation, AIS has further strengthened its TQM practices during the year. It has received ISO 50001:2011 certificate conforming to the Energy Management System Standard. AIS also conforms to ISO 14001, TS 16949 and OHSAS 18001 for Environment Management System, Quality Management System & Occupational Health & Safety Management respectively.



Building value

AIS's value accretive growth is built on the platform of its manufacturing prowess, which it continued to expand during the year with more value-added products, providing an embracing customer experience. AIS is already moving in this direction and believes that glass is a futuristic product and capable of meeting all requirements (present or future) of its customers through value addition.

AIS is listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE).

AIS is a leading supplier of glass to the automotive industry since more than 2 decades. Its diversified product range makes it a preferred supplier of the Original Equipment Manufacturers (OEMs) in India.

The Company enjoys the second largest production capacity in Float Glass, with products designed to suit every architectural and building requirement. The Company's state-of-the-art Float Glass manufacturing unit is equipped to handle production of the entire range of this glass variety, including – float glass (clear & tinted), high-quality heat reflective glass manufactured by superior coating technology, world class environment-friendly copper & lead-free mirror, and lacquered & frosted glass for interior decoration.

Vision

SEE MORE

This byline captures AIS's culture:

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

To transcend the ordinary.

Mission

"JIKKO" - Execution for Excellence.

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

Guiding Principles

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

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

The first real evidence of glass manufacturing by mankind dates back to 3,000 B.C.

Strategic Business Units (SBUs)

Automotive Glass

The Automotive Glass segment has continuously mapped its journey from value addition to value accretion through innovative initiatives customised to the transforming needs of auto manufacturers globally.

- AIS Auto SBU is a preferred choice of major automotive companies including Maruti Suzuki, Hyundai Motors, Mahindra & Mahindra, Tata Motors, Toyota Kirloksar, Honda Cars India, Volkswagen India, Ford India, Skoda Auto and Fiat India.
- It has expanded its portfolio of innovative glass products and solutions benchmarked to international standards of quality and versatility.
- AIS Auto SBU has received Deming (TQM) Application Prize and TPM Excellence Award from Japan.

- The new products developed during the year includes solar acoustic glasses, UV cut glasses, light weight glazing and better designs with improved optical properties of windscreen and temperlites.
- Growing reach in aftermarket and exports.



76.57%

Market share in the Indian passenger car segment

Product Showcase

- 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
- Glass with Assembly
- Privacy Glass
- Sunveil Green Glass
- Acoustic Windshield
- IR Cut Glass
- Sliding window assembly





Architectural Glass

AIS's value-accretive Architectural Glass offerings are designed to transform the exteriors and interiors of buildings with creative glass solutions.

- This SBU was formed through a management merger of Float & Glass Solutions (Processed Glass) SBUs.
- It provides end-to-end glass solutions delivered through a powerful technological edge across the range of clear and tinted glass to value added solar control, heat reflective glass, frosted and lacquered glass, tempered glass, laminated glass and insulated glass units.
- It offers an innovative range encompassing High Performance uPVC door and window solutions (under the umbrella of AIS VUE brand) that includes Silent VUE - Noise cancelling windows, Guard VUE- Burglar-resistant windows, EcoVUE- Energy saving windows, Safe VUE-

Safety glass windows and Custom VUE- Customised benefit windows.

- Its value excellence is underlined by high-end energy efficient glass products under the Ecosense range, designed to meet the evolving, globally-inspired architectural trends.
- It has an extensive sales network comprising 4 zonal offices and 1100 distributors.
- It also markets a wide range of AGC products in India as its distribution partner.

Product Showcase

- AIS Clear™ - Clear Float Glass
- AIS Tinted™ - Heat Absorbing Glass
- AIS Supersilver™ - Heat Reflective Glass
- AIS Opal™ - Value for money Solar Control Glass
- AIS Sunshield

- Ecosense™ - High Performance Energy Efficient Reflective Glass
- AIS Opal Trendz - Patterned Reflective Glass
- AIS Krystal™ - Only Branded Frosted Glass
- AIS Décor™ - Lacquered Glass in Vibrant Colours for Interiors
- AIS Mirror™ - Distortion-Free Mirrors
- AIS Stronglas™ - Impact Resistant Glass
- AIS Securityglas™ - Burglar Resistant Glass
- AIS Acousticglas™ - Sound Resistant Glass
- AIS Valuglas
- AIS Securityplus
- AIS Disegno
- AIS Swytchglas
- AIS Ceramic Printed Glass



Consumer Glass

With customised solutions brought to the customer's doorstep through in-depth consultancy services, the Consumer Glass SBU is the value interface that connects the end consumers with our solutions across the Automotive and Architectural Glass SBUs.

- The automotive and architectural glass products are offered through Shield Autoglass Ltd. and GX Glass Sales & Services Ltd. respectively.
- After-market distribution of automotive safety glass and sealants is provided to dealers and retailers across India by the associate partners, AIS Distribution Services Ltd. (formerly Asahi India Map Auto Glass Ltd.) and AIS Adhesives Ltd.

This important consumer interface is founded on the twin platforms of:

GlasXperts: A retail initiative in the Architectural Glass segment that is designed to deliver aesthetic and eco-friendly lifestyle solutions aligned to consumer aspirations. GlasXperts is an end-to-end glass solutions brand that brings an integrated approach & specialized knowledge to glass and window selection & installation for homes, offices & commercial spaces.

Windshield Experts: India's only Automotive Glass repair & replacement specialist, it provides quality and efficient full-service offerings in the areas of windshield glass repair, glass replacement, doorstep facility and value-added services, spread across 32 cities with 65 conveniently located service centres, providing the advantage of being Faster, Safer & Better.

Solar Glass

The Solar Glass SBU is the realisation of the Company's vision to drive enhanced value that is sustainable and self-sustaining. Given the receding fossil fuel resources on this planet and the growing need for renewable power generation through alternate energy sources, this SBU is focused on solar glass solutions for the renewable energy markets.



Value accretion through 4G Solutions

These SBUs of AIS are driven by efficiencies crafted to deliver customised, consumer-centric offerings in an eco-system of operational excellence. Powered by speed to market and technological edge, they are constantly augmenting customer value across the business chain - spanning consultation services, as well as glass selection, design, manufacturing, glass processing, fabrication and installation.



Value accretion through value-added products

Acoustic windshield



Key Benefits

- Significantly reduces noise and vibrations inside the car cabin.
- Lowers noise in cabin results in enhanced experience to enjoy music & conversations.
- Reduces driver fatigue and offers better comfort for the driver and the passengers.

Head-up display for windshield



Key Benefits

- Provides better display clarity.
- Allows the driver to stay focussed on the road at the same time check dashboard information (speed, fuel, navigation etc.).
- Improves driver comfort and enhances safety.

Water repellent glass for side windows



Key Benefits

- Driving comfort during rains due to better visibility through the side door glass.
- Enables safer driving experience.
- Ensures that the water droplets slide off and not leave any marks on the glass.
- Long life of coating.