



SANJAY LABROO
Managing Director &
Chief Executive Officer

24th November, 2004

Dear Shareholder,

The Board of Directors in its meeting held on 30th October, 2004, inter alia, considered and took on record the unaudited financial results of the Company for the quarter and the half year ended 30th September, 2004. The financial and operational performance of AIS during the period under consideration is presented below for your kind information:

PROFIT & LOSS ACCOUNT

(Rs. Lakhs)

	Quarter Ended 30 th September (Unaudited)		Half Year Ended 30 th September (Unaudited)		Year Ended 31 st March (Audited)
	2004	2003	2004	2003	2004
INCOME					
Turnover and inter division transfer	17660.06	14887.47	33141.20	27545.92	58841.51
Less : Inter division transfer	334.48	816.69	527.17	1708.20	2286.61
Turnover	17325.58	14070.78	32614.03	25837.72	56554.90
Less : Excise duty	2107.33	1882.14	4152.92	3419.72	7570.18
Net Turnover	15218.25	12188.64	28461.11	22418.00	48984.72
Other income	87.45	67.87	167.20	127.63	519.80
Total Income	15305.70	12256.51	28628.31	22545.63	49504.52
EXPENDITURE					
Total Expenditure	12097.69	9019.71	22186.85	16630.79	37269.77
- (Increase)/decrease in stock in trade	614.93	(231.05)	269.68	(632.26)	(701.62)
- Material cost	4169.22	3411.95	8294.17	6248.73	14264.41
- Power & Fuel	2299.62	1775.44	4380.92	3462.08	7146.00
- Stores & Spares consumed	810.86	685.21	1597.61	1390.10	3088.55
- Staff cost	902.65	908.55	1815.12	1708.46	3608.58
- Other expenditure	3300.41	2469.61	5829.35	4453.68	9863.85
Interest	29.75	29.70	68.42	98.67	242.47
Deferred revenue expenditure w/off	2.99	46.82	5.98	126.37	129.38
Depreciation	1098.51	1199.74	2225.92	2389.24	5005.70
PROFITABILITY					
Operating profit	3208.01	3236.80	6441.46	5914.84	12234.75
Gross profit	3178.26	3207.10	6373.04	5816.17	11992.28
Profit before exchange rate difference & taxation	2076.76	1960.54	4141.14	3300.56	6857.20
Exchange rate gain / (loss) on foreign currency loan	5.12	117.81	(581.37)	368.80	965.54
Profit before tax	2081.88	2078.35	3559.77	3669.36	7822.74
Provision for income tax	166.00	148.00	280.00	277.00	595.00
Profit after tax	1915.88	1930.35	3279.77	3392.36	7227.74
Prior period adjustment	(9.28)	5.89	0.06	5.89	(63.56)
Excess provision of income tax written back	0.00	0.00	0.00	0.00	10.78
Net Profit	1906.60	1936.24	3279.83	3398.25	7174.96
Dividend on preference shares (including Tax)	(48.07)	0.00	(48.07)	0.00	0.00
Net Profit (for calculation of EPS)	1858.53	1936.24	3231.76	3398.25	7174.96
Earning per share (Rs.)	2.32	2.42	4.04	4.25	8.91
Cash earning per share (Rs.)	3.97	4.01	7.97	7.27	14.99
Balance brought forward	753.15	654.42	753.15	654.42	654.42
Profit available for appropriation	2611.68	2590.66	3984.91	4052.67	7829.38
APPROPRIATION					
Dividend on preference shares	0.00	0.00	0.00	0.00	41.24
Dividend on equity shares	799.64	0.00	799.64	0.00	1799.19
Provision of dividend tax	104.50	0.00	104.50	0.00	235.80
General Reserve	0.00	0.00	0.00	0.00	5000.00
Balance carried to balance sheet	1707.54	2590.66	3080.77	4052.67	753.15
	2611.68	2590.66	3984.91	4052.67	7829.38

Asahi India Glass Ltd.
 Corporate Office: 5th Floor,
 Tower-B, Global Business Park,
 Mehrauli-Gurgaon Road,
 Gurgaon-122 002 (India)
 Tel.: +91 124 5062212-19
 Fax: +91 124 5062244, 5062288.
 Registered Office: 12, Basant Lok
 New Delhi-110 057 (India)
 Website: www.asahiindia.com

Notes:

- The above results as reviewed by the Audit Committee have been taken on record by the Board of Directors in its meeting held on 30th October, 2004.
- The Statutory Auditors of the Company have carried out a Limited Review of the unaudited financial results for the quarter and the half year ended 30th September, 2004.
- The Board has approved, in principle, the expansion plans of the Company relating to setting up of the second float glass plant in the State of Uttaranchal.
- The Board has declared an interim dividend of Re.1/- per share (100% on par value of Re.1/-) on 7,99,63,793 equity shares of the Company for the financial year 2004-05. The record date for the payment of dividend is 10th November, 2004.
- Provision of Minimum Alternate Tax (MAT) for the half year and the quarter ended 30th September, 2004 has been made for Rs. 280 lakhs and Rs. 166 lakhs respectively and there will be no deferred tax liability
- No provision has been made for additional demand of excise duty of Rs. 347 lakhs from August, 1995 to December, 2000, raised by Excise Department and originally confirmed by the Settlement Commission, which on representation by the Company reduced the demand to Rs. 311 lakhs. Based on the order of the Settlement Commission, liability from January, 2001 to September, 2004 of Rs. 224 lakhs has also not been provided in the above results, which may arise in the case the Court decides the case against the Company. The Company filed a writ petition in the Delhi High Court against the order of the Settlement Commission and an interim stay was granted by the Court on 21.10.2002. The High Court has pronounced the judgement on 10th September, 2004 and remanded the matter back to the Settlement Commission to decide the case based upon its findings. Based on the legal opinion obtained and this judgement, the Company does not expect any liability.
- Second quarter results for the last year (July – September, 2003) have been restated on account of price revision, adjustment of which was made in the first quarter results of 2003.
- Out of 11 investor complaints received during the quarter, 2 complaints were pending as on 30th September, 2004. The pending complaints have since been redressed.
- Figures have been regrouped wherever necessary to facilitate comparison.

BALANCE SHEET**(Rs. Lakhs)**

	As at 30 th September, 2004 (Unaudited)		As at 30 th September, 2003 (Unaudited)		As at 31 st March, 2004 (Audited)	
SOURCES OF FUNDS						
1. Shareholders' funds						
a) Share capital	1399.64		2194.81		2194.81	
b) Reserves & surplus	15439.06	16838.70	10506.81	12701.62	12207.30	14402.11
2. Loan funds						
a) Secured loans	7488.38		7253.74		5761.22	
b) Unsecured loans	23764.89	31253.27	21993.53	29247.27	21281.44	27042.66
TOTAL		48091.97		41948.89		41444.77
APPLICATION OF FUNDS						
1. Fixed assets						
a) Gross block	68504.40		65696.38		67898.00	
b) Less: Depreciation	41486.77		35646.77		39274.26	
c) Net block	27017.63		30049.61		28623.74	
d) Capital work-in-progress	6629.99	33647.62	1589.00	31638.61	1800.00	30423.74
2. Investments		295.10		264.29		267.30
3. Current assets, loans & Advances						
a) Inventories	11762.94		10040.23		10798.98	
b) Sundry debtors	7927.82		6126.95		6191.34	
c) Cash & bank balances etc.	2665.52		698.37		1208.38	
d) Other current assets	542.00		515.64		473.05	
e) Loans & advances	3537.96		1736.34		2150.93	
Less:						
a) Current liabilities	12230.94		7874.12		7782.89	
b) Provisions	85.93	14119.37	1450.66	9792.75	2321.92	10717.87
4. Miscellaneous expenditure						
(to the extent not written off or adjusted)		29.88		253.24		35.86
TOTAL		48091.97		41948.89		41444.77

Information relating to production and sales at AIS's two operating business units - AIS (Automotive) and AIS (Float) - for the half year ended 30th September, 2004 is summarized as under:

Sl. No.	Details	(Units)	Production (Units)			Sales (Unit)		
			Half year ended		% Changes	Half year ended		% Changes
			30.09.2004	30.09.2003		30.09.2004	30.09.2003	
1	AIS (Automotive)							
	a) Tempered Glass	Sqm.	1312741	1087970	20.66%	1296379	1049658	23.50%
	b) Laminated Glass	Pcs.	682549	558593	22.19%	684503	555628	23.19%
2	AIS (Float)							
	a) Float Glass	CSqm.	15954026	15041435	6.07%	16450952	13963498	17.81%

The financial and operational highlights of the Company for the half year ended 30th September, 2004, as compared to the corresponding previous period, are given below for a quick reference :

- Gross Sales and Net Sales increased 20 % and 27 % to Rs. 331.41 crores and Rs. 284.61 crores respectively
- Operating profit increased 9 % to Rs. 64.41 crore
- Operating margin (PBDIT / Net Sales) declined 3 % to 23 %
- Cash profit up 10 % to Rs. 63.73 crores
- Profit after tax declined 3 % to Rs. 32.80 crores
- ROCE (PBDIT / ACE) and RONW recorded at 29 % and 44 %
- Total debt / equity and interest bearing debt / equity stand at 1.92 and 0.43 respectively
- Financial coverage (PBIT / Interest) stands at 39
- CEPS and EPS at Rs. 8 and Rs. 4

Profitability for the period had been impacted adversely by approximately Rs. 12 crores due to higher input costs, as explained below, which I believe are one-time / non-recurring :

- Increase in power generation cost
- Increase in freight cost, mainly due to premium freighting to ensure uninterrupted supplies for our OEM customers
- Increase in cost of colourants and raw materials
- Increase in overheads, largely relating to advertising / brand building

I am pleased to inform that the Board of Directors declared an interim dividend of Re. 1/- (100 % on face value of Re. 1/-) on equity shares for the financial year 2004-05. The record date for the purpose was fixed 10th November, 2004. The dividend drafts / warrants towards payment of interim dividend have already been dispatched to all our shareholders. Similarly, dividend payment has been directly credited to the bank accounts of those shareholders who opted payment through ECS facility. Shareholders may contact the Investor Relations Department in the event of non-receipt of dividend and for related queries.

The Board of Directors approved its mid term plan including capital expansion plans of the Company. The capital expansion plans, as approved, in principle, include setting up a second float glass plant of the Company in the State of Uttaranchal. The Board will meet again shortly to approve the project cost and schedule. The Plant will have a capacity of 700 MT / day. The Company's existing float glass plant at Taloja near Mumbai has a capacity of 500 MT / day and is the third largest in the country.

We have completed phase I expansion at the second automotive glass plant at Chennai which has a capacity of 500,000 laminated windshields. The Chennai plant is being set up in modular fashion, i.e., with capability to take capacity up to 1.50 million windshields with some de-bottlenecking and additional investment. Once fully set up, new facility in Chennai will have a total capacity of 1.50 million laminated windshields and 1.0 million tempered car sets.

There have been a few changes on the Board. Mr. Pierre Kirschen, representative of the Flat Glass Company of Asahi Glass Co., Ltd., has been appointed as a Director on the Board of Directors of the Company in place of Mr. K. Yonamoto who has since resigned with effect from 26th October, 2004. Mr. Pierre Kirschen, 49 years, is an Electrical and Mechanical Engineer from the University of Brussels (Belgium) and also holds an MBA from the INSEAD in Fontainebleau (France). Mr. Kirschen is presently working in Glaverbel Group, which is a part of Asahi Glass Co., Ltd.

Mr. K. Miyazawa, Technical Director of the Company has been inducted as a member on the Remuneration Committee of the Board of Directors.

We have recently announced AIS our new corporate brand. AIS stands for Asahi India Solutions which reflects our commitment to be an integrated glass company providing solutions in glass. While maintaining its legacy of world class quality, technology and products, AIS is in the process of transforming itself from being a manufacturer of world-class products to a solutions provider.

AIS is now moving up the exciting value chain of glass by providing design, products and services that make glass more versatile, more user friendly. In the architectural glass business, AIS has initiated steps to capture the value chain, through its subsidiary, AIS Glass Solutions Ltd., with the setting up of architectural glass processing facility at Talaja, to address the following segments :

- Architectural processing & glass products
- Product and knowledge development
- Glass Services
- Sales & Marketing

AIS is our promise for innovations; our commitment to promote use of glass to view this beautiful natural world without sacrificing comfort and safety. Please 'See More' through AIS.

Last but not the least, please accept our hearty wishes for a very happy and prosperous New Year.

Sincerely,

Sanjay Labroo

DISCLAIMER

The information has been provided to give the shareholders/investors a greater insight into the operations and the likely direction of the Company and not to solicit any investment. Any investments, therefore, by shareholders/investors should be based on their individual judgment and analysis.