



ASAHI INDIA GLASS LTD.

CORPORATE PRESENTATION

21st September, 2005

Corporate Profile - Background

Established as : Asahi India Safety Glass Ltd.

Commercial Production : 14th March, 1987

Equity Structure	: Labroo's	24%
	: Asahi Glass Co. Ltd.	24%
	: Maruti Udyog Ltd.	12%
	: Public	40%

Initial Equity : Rs. 1.85 crores

Products : Automotive Safety Glass

Background : Till 2001-02

In the 14 years till 2001-02, AIS grew from being a tempered safety glass supplier to MUL to the country's largest glass company (*including* the float glass companies in existence in India at that time).

AIS : 1987-88 TO 2001-02

Sl. No.	ITEM	1987-88	2001-02	CAGR
1.	Sales (Rs. Lakhs)	955	19863	24.20%
2.	EBITDA (Rs. Lakhs)	332	4161	19.80%
3.	EBDT (Rs. Lakhs)	202	3652	22.98%
4.	Market Capitalisation (Rs. Lakhs)	185	22000	40.68%

AIS Takeover of FGI

AGC had established a float venture in India, in partnership with the Tata Group in 1995-96, called Floatglass India Ltd. (FGI).

The company operated in losses right through till 2000-01, when AGC approached AIS to take over the company.

At that stage, FGI's position was as follows :

FGI in 2000-01

Sl. No.	ITEM	2000-01
1.	Sales (Rs. Lakhs)	16946
2.	EBITDA (Rs. Lakhs)	3556
3.	EBDT (Rs. Lakhs)	1246
5.	Production (million csqm)	23
6.	Sales (million csqm)	22
7.	Accumulated Losses (Rs. Lakhs)	-27963

AIS Takeover of FGI

- After discussions for over a year, AGC transferred its equity in FGI to AIS, in September 2001. Key highlights of the deal
 - AGC bought out Tata equity of 26%, to take total holding to 75%
 - AGC equity of 75% transferred free of cost to AIS
 - Financial restructuring at FGI
 - Preference capital of approx. US\$'s 30 million written off
 - Foreign currency loans taken by FGI of US\$'s 47.50 million taken over by AGC. New terms attached to loan from AGC to FGI:
 - Payment at end of 10 years
 - 0% interest for first 8 years
 - LIBOR + 0.75% interest for last two years
- Subsequent to transfer of AGC equity to AIS, AIS made a public offer for 25% of FGI's equity (held by the public), under the terms of the SEBI Takeover Code. By this process, AIS's shareholding in FGI rose by an additional 4.62%, taking total holding to 79.62%.

Merger of FGI with AIS

After take-over of FGI by AIS, merger of FGI with AIS was approved, considering following imperatives for Merger

- *One face in India*
- *Tax saving potential on account of carry forward loss in FGI's books as well as on account of sales tax paid on glass sold by FGI to AIS. Total impact over five years : US\$'s 12.50 million on account of corporate tax and an additional US\$'s 2.50 million on account of Sales Tax.*
- *End to End player in the glass value chain, with the ability to benefit from operational synergies, and with de-risked sales model (by way of reduced exposures to any single customer or segment.)*
- *Use size and scale to open up strategic options such as in the area of raising financial capital, attract and retain talent, etc.*

Merger – Impact on Promoter Holding

Asahi India held 80% of FGI's equity. Equity dilution was therefore limited to the extent of the 20% equity in FGI which was publicly held.

A valuation exercise showed that the relative value of FGI to AIS was in the ratio of 1:2. In an effort at limiting dilution of promoter holding, the scheme of merger was devised in a unique way, the public shareholders in FGI received AIGL stock only to the extent of 75% of their holding, with the balance 25% being paid out as redeemable preference capital.

Accordingly, the actual equity structure, post merger, is as under:

Equity Holders	Pre-merger	Post merger
Labroo's	24%	22.21%
AGC	24%	22.21%
Maruti	12%	11.11%
Public	40%	44.47%

This represents the current structure.

Equity capital increased to Rs. 8 crores, up from the pre-merger level of Rs. 7.40 crores. It currently stands at Rs. 16 crores, after a third issue of bonus share in the ratio of 1:1 announced recently.

Actions at AIS (Float)

A programme titled “Resurgent” was initiated at the AIS (Float) in 2001-02, with the theme of : “Revenue Maximisation with Cost & Wastage Reduction”

The main activities initiated under this programme were:

1. Benchmarking – both domestically as well as internationally
2. Revenue enhancement through change in product mix – towards higher tinted architectural float, as well as increased sales of thicker glass (>6.0 mm).
3. Material cost reduction (eg.)
 - Improvement activities to raise productivity and lower costs at own sand beneficiation facility at Waked.
 - Renegotiate contracts for H2/N2 gases

All this has had a significant impact, with output having risen **over 34%**.

AIS (Float) - Performance

The float business has turned the corner, since the takeover and subsequent merger with AIS, as the figures below show :

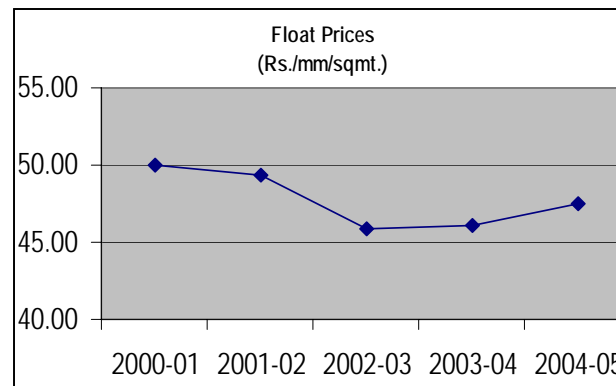
AIS (Float) : Since Takeover

Sl. No.	ITEM	2000-01	2001-02	2002-03	2003-04	2004-05	2004-05 vs. 2000-01
1.	Sales (Rs. Lakhs)	16945.93	21908.08	21587.26	23319.00	27533.00	62%
2.	EBITDA (Rs. Lakhs)	3556.32	5565.72	4513.74	5631.00	6245.00	76%
	EBITDA/Sales	21%	25%	21%	24%	23%	
3.	EBDT (Rs. Lakhs)	1246.23	3969.66	3977.08	5521.00	6207.00	398%
	EBDT/Sales	7%	18%	18%	24%	23%	
4.	PBT (Rs. Lakhs)	-1323.72	437.07	1323.00	2483.00	4134.00	
	EBIT/Sales	-8%	2%	6%	11%	15%	
5.	Production (million csqm)	22.87	26.6	29.00	31.48	31.30	37%
6.	Sales (million csqm)	21.99	26.15	28.41	29.79	33.42	52%

The financial performance is in spite of the fact that in this period domestic float glass prices have been declining to stagnant at best.

Domestic Float Glass prices since 2001-02

Year	Rs./mm/ m ²
2000-01	50.00
2001-02	49.33
2002-03	45.92
2003-04	46.08
2004-05	47.50



AIS Corporate – Past Perspective

Brief snap shot of AIS – from inception till FY 2004-05

AIS : 1987-88 TO 2004-05

Sl. No.	ITEM	1987-88	2004-05	CAGR
1.	Sales (Rs. Lakhs)	955	58868	27.43%
2.	EBITDA (Rs. Lakhs)	332	12886	24.02%
3.	EBDT (Rs. Lakhs)	202	12570	27.52%
4.	Market Capitalisation (Rs. Lakhs)	185	135700	47.42%

These figures contain, in brief, the story of AIS's growth from a supplier of automotive tempered glass to Maruti Udyog (Suzuki) when we began, to the current situation of India's largest glass company, with profitable growth flowing from all the actions taken since the birth of the organization.

Corporate Profile – Present

- AIS today is the largest glass company in India, manufacturing wide range of international quality automotive safety glass and float glass. AIS is in the process of transforming itself from being a manufacturer of world-class products to a solutions provider, moving up the exciting value chain of glass by providing design, products and services.

- AIS has the following three operating business units :
 - AIS (Auto)
 - AIS (Float)
 - AIS (Glass Solutions)

- AIS (Auto) is India's largest manufacturer of world class automotive safety glass and is, in fact, one of the largest in the field in Asia.

- AIS (Auto) is the sole glass supplier to almost the entire Indian passenger car industry, with current market share of over 85 %. Building presence in the after market has been a key element of the strategy to diversify sales. AIS currently enjoys a market share of 55% in terms of value.

Corporate Profile – Present

- AIS (Float), the other operating business unit, is the third largest manufacturer of international quality float glass in India. AIS (Float) has a market share of approximately 20 % of the Indian flat glass (sheet glass and float glass) market and 25 % of the float glass market.
- AIS (Glass Solutions) has been set up as a subsidiary of AIS with the following long-term objectives :
 - captively consume float glass for architectural processing & glass products ; and
 - raise glass consumption by disseminating knowledge and introducing innovative product lines.
- AIS (Glass Solutions) is offering the complete range of high quality architectural processed glass, which includes Stronglas (tempered glass), laminated glass and insulated glass units and is in the process of introducing innovative products like windows, tabletops, partitions and shelves.

AIS - Corporate Governance

Philosophy

AIS's philosophy on corporate governance envisages achieving highest Standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. AIS is committed to establish and diligently follow the highest standards of corporate governance in its pursuit of profitable growth and enhancement of shareholder value.

Board of Directors

The Board of Directors of AIS has an optimum combination of executive, non-executive and independent Directors. The Board comprises of nine Directors, headed by a non-executive Chairman.

The Company is managed by the Managing Director & CEO and three Executive Directors. The Board of Directors approves and reviews strategy and oversees the actions and results of management.

The composition and category of Directors is as follows :

AIS – Board of Directors

A) Promoters' Nominee Directors

Labroo's

1. Mr. B.M. Labroo, Chairman -(Non-Executive Director)
2. Mr. Sanjay Labroo, Managing Director & CEO -(Executive Director)

AGC

3. Mr. K. Miyazawa, Technical Director -(Executive Director)
4. Mr. P. Kirschen, Director -(Non-Executive Director)

MUL

5. Mr. Jagdish Khattar, Director -(Non-Executive Director)

B) Executive Directors

6. Mr. P.L. Safaya, Director & COO (Float)
7. Mr. Arvind Singh, Director & COO (Auto)

C) Independent, Non-Executive Directors

8. Dr. Surinder Kapur, Director
9. Mr. Gautam Thapar

PLANT LOCATIONS

Rewari:

Current

1. Auto Glass

Proposed

1. Glass Solutions

Taloja:

Current

1. Float
2. Glass Solutions

Roorkee:

Planned

1. Float
2. Glass Solutions
3. Value Added

Chennai:

Current

1. Auto
- Proposed**
1. Glass Solutions



Key Initiatives & Achievements

Value-creating growth - Creating shareholder value

- AIS's growth plans are designed to create a stronger company and enhance shareholder value. Example :
 - **Re. 1 invested in AIS in 1987 is now worth Rs. 680 – a capital appreciation of 50 % per annum. This is amongst the foremost growths in listed companies in India.**
 - A holding of 100 equity shares of a face value of Rs.10 each had grown into a holding of 8000 shares of a face value of Re. 1 each through bonus issues and a sub-division in the face value of the Company's equity shares.
- AIS has been guided by the financial goal of generating free cash flows from operations to earn a rate of return on capital employed (ROCE) of 40 per cent and to pay out 25 per cent of profits as dividends.

Value through customer management

- At AIS, we are dedicated to progressively superior understanding of our customers' requirements. Based on this, we leverage our flexible manufacturing and delivery capabilities to provide our customers with enhanced value.
- Over the years, AIS has taken the following initiatives :
 - Scientifically structured periodic customer satisfaction surveys
 - A nationwide delivery network that ensures JIT delivery to customers
 - Location of facilities such as advance warehouse in proximity to customers / markets
 - An investment in joint product development with OEM customers

Business de-risking

- AIS's transition from an automotive glass manufacturer supplying a single customer to becoming India's largest glass company is reflective of its de-risking strategy. This has helped AIS
 - Improve competitive advantage
 - Expand business platform
 - Reduce business risk
 - Enhance strategic position
- AIS's growth strategy is aimed at realizing the vision of becoming India's leading integrated glass company, with a meaningful presence in every part of the automotive and architectural glass businesses leading to the eventual effective capture of value across the complete chain.

Quest for Excellence

- AIS has been benchmarking its operational performance to global levels and set out targets as milestones to achieve these levels. These targets are being challenged constantly.
- As a result, shop floor performance in AIS (Auto), for example, is in line with the best in class benchmarks on following parameters :
 - Shop floor yields, at over 96 per cent
 - Customer claims, within 100 ppm
 - machine uptime, in the range of 98 per cent
- Production in AIS (Float), the erstwhile Floatglass India Ltd., has gone up by over 34 per cent, compared to FY 2000-01 levels, the last year before the takeover. AIS (Float) achieved a record production of 30.67 million csqm. in FY 04-05, against the rated capacity of 29.2 million.

Pioneering initiatives in India

AIS is credited with the following initiatives in India :

- First to introduce laminated safety glass
- First to manufacture printed glass
- First to introduce modular assembly window
- First to make complex shaped glass
- First to introduce tinted float glass

Value through world-class quality

- AIS is the first Indian glass company to be credited with :
 - ISO 9002, QS 9000 and TS 16949 certifications for the production and servicing of automotive safety glass.
 - ECE's 'E Mark' and US Department of Transportation's approval for its range of automotive safety glass.
- AIS has been following holistic systems-centric quality discipline under the umbrella of Total Quality Management.
- All the improvements and efforts at raising efficiency over the last eight years have been carried out under the umbrella of TQM – which has been spread through all processes in the company.

Strong Market Position

- AIS (Auto) is the sole glass supplier to almost the entire Indian passenger car industry, with current market share of over 85 %. Building presence in the after market has been a key element of the strategy to diversify sales. AIS currently enjoys a market share of 55% in terms of value.
- Sales of automotive safety glass are made directly to OEM customers and through two nation-wide distributors, with 27 depots, to the direct after market, covering the length and breadth of the country.
- AIS (Float) enjoys a market share of approximately 25 % of the Indian float glass market.
- Sales of float glass are made through a network of over 400 authorized stockists into the retail market spread across the country and serviced through its zonal offices.
- AIS (Glass Solutions) has built a network of 59 channel partners to provide the complete range of high quality architectural process glass.

Well Balanced Product Portfolio

- AIS (Auto) has the ability to address customer requirements of the full range of technologically advanced products in the automotive safety glass field.
- Present product range includes laminated windshields, tempered glass for side and back lites, zone tempered glass for windshields, silver printed defogger glass, black ceramic printed flush fitting glass and PVC-encapsulated fixed glass.
- AIS (Float) offers a diversified product range of international quality float glass of thickness of 2mm – 12mm, in different shades and tints of clear, green, grey and bronze and in varying sizes.
- Product portfolio of AIS (Float) now includes international quality heat-reflective glass and world's finest quality copper free and corrosion resistant MNG mirrors.
- AIS (Glass Solutions) is offering the complete range of high quality architectural processed glass, which includes Stronglas (tempered glass), laminated glass and insulated glass units and is in the process of introducing innovative products like windows, tabletops, partitions and shelves.

Key Initiatives – Technology Development at AIS

A key strategic initiative at AIS (Auto) has been in the area of building “relevant” self sufficiency in technology. We are fully equipped with CMM, CAD and a CNC Milling station, which provides self sufficiency in the area of product development. We have, however, gone beyond this into the area of developing and building glass processing equipment.

One example:

We have developed our own CNC lines for the pre-processing of glass (cutting to shape, edging and washing) – at one-fifth of the imported cost.

The resultant automation also implies release of manpower, and is thus a key initiative to raise manpower productivity “cost effectively”.

Key Initiatives – Design & Development

- AIS (Auto) has complete facilities to develop automotive glass from concept stage starting with the drawing and CAD data of the vehicle manufacturer. Besides, manufacturing tooling and inspection fixtures are being developed and fabricated in house with a few exceptions.

- Infrastructure for New Model Development contains :
 - CATIA V5R10 CAD platform
 - CNC machining centre
 - CMM for continuous validation of tools and checking vs. CAD data

AIS (Auto) : HIGHLIGHTS

AIS (Auto) Plant Locations

Plant 1



Plant 2

Facilities - Plant 1 (Rewari)

- Products : Tempered side glass and back glass
- : Laminated windshields
- : Printing for direct bonding (BCP) and defogging (Ag)
- : Modular assembly for quarter glass
- : Sub assemblies on glass (holders, hinges, mirror buttons, etc.)

Site Area : 25.50 acres

10 ACRES BEING
ADDED

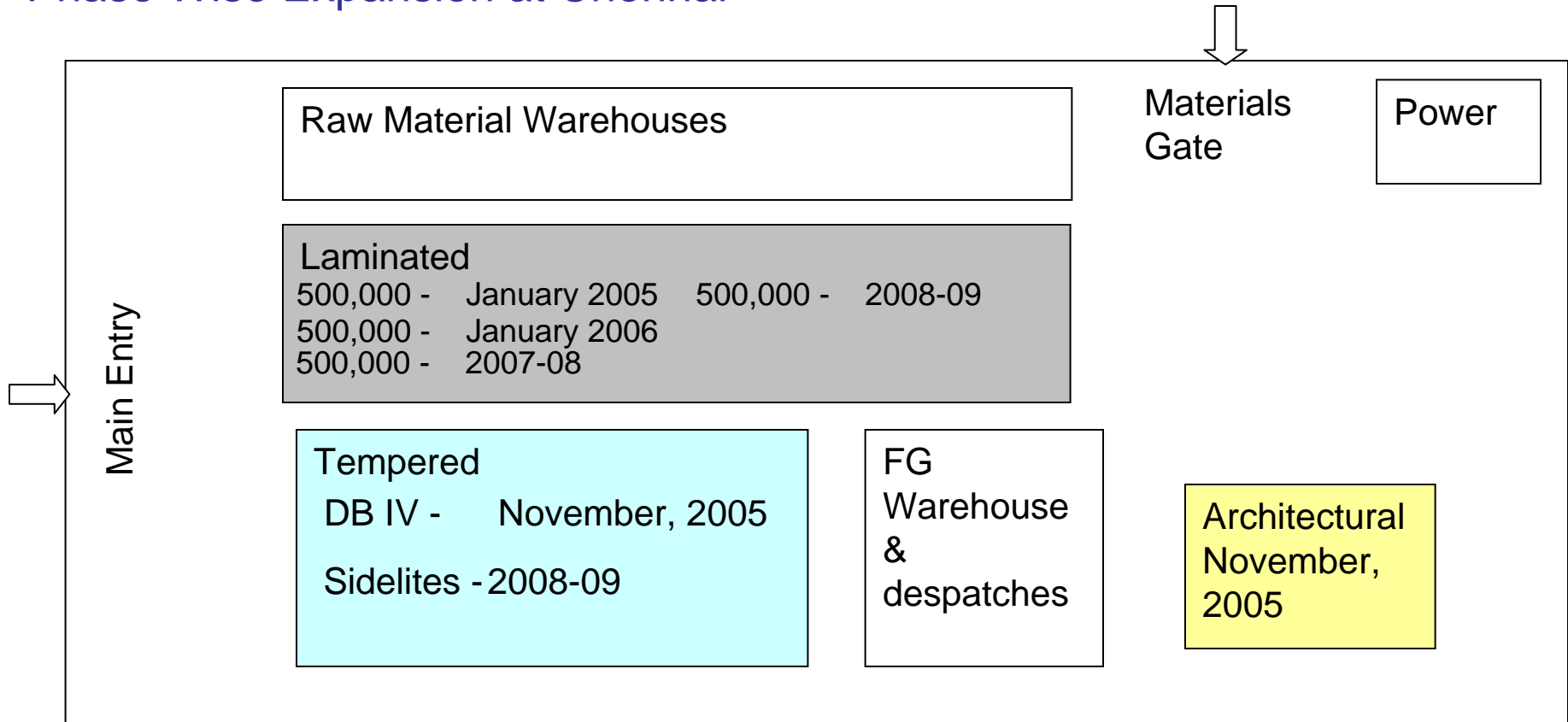
Power : Own generation facilities

**TOTAL PRODUCTION CAPACITY :
GLASS FOR 1.50 MILLION CARS**

Facilities – Plant 2 (Chennai) - Highlights

- With most of the new capacity having been established by majors like Hyundai, Toyota and Ford in South India, the second automotive glass plant has been set up in Chennai in South India. **Car production in this area is expected to rise from the current level of 220K to over 470K in next three years.**
- **Besides proximity to key customers, Chennai is a Port city, thus allowing cost reduction in import of raw material (such as PVB) as well as in possible future exports.**
- In Phase 1, only **laminated** plant established in Chennai – with capacity of 500,000 windshields. Capacity to be increased in phases to 1.5 million windshields, depending on overall demand situation.
- Plant has been set up in modular fashion – i.e. ability to take capacity up to 1.50 million windshields with some de-bottlenecking and additional investment.
- Chennai Plant to have tempered capacity, which is being established in 2005-06.
- Once fully set up, new facility in Chennai planned at capacity of 1.50 million laminated windshields and 1.0 million tempered car sets.
- Chennai facility to include Value Addition capability (Assemblies, Add-ons) as required.

Phase Wise Expansion at Chennai



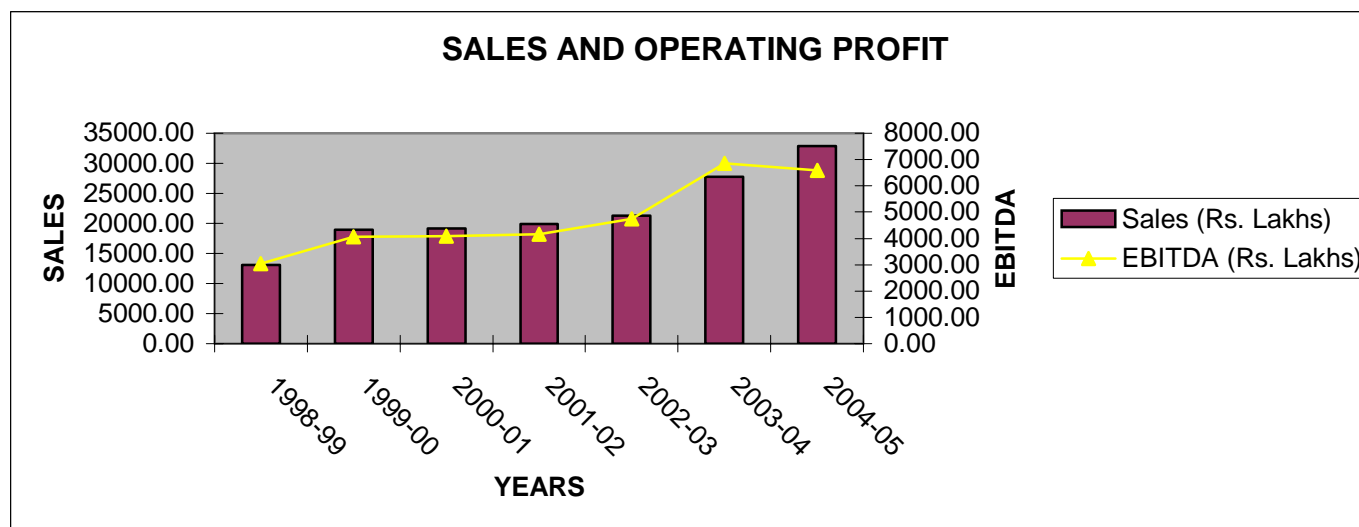
Total Capacity by 2008-09

- a) 2 million laminated windshields
- b) 1.00~1.20 million tempered sets
- c) Architectural Processing

AIS Auto – KPI's History

AIS - Auto Glass : 1998-99 to 2004-05 HIGHLIGHTS : FINANCIAL

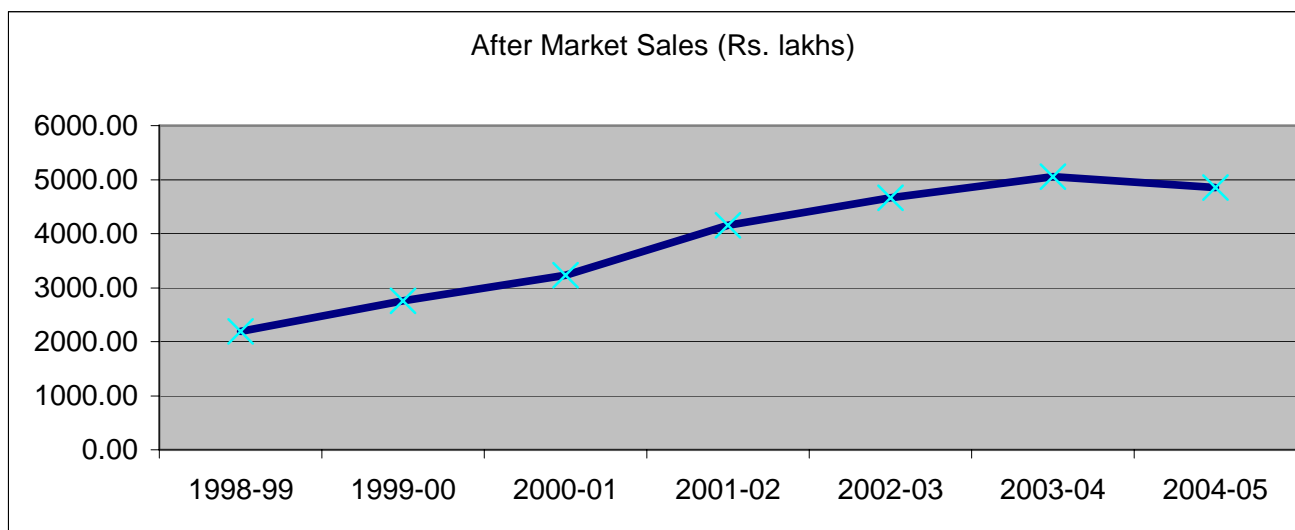
Sl. No.	ITEM	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Sales (Rs. Lakhs)	13039.05	18900.42	19161.30	19863.49	21308.57	27811.00	32830.00
	%age change		44.95%	1.38%	3.66%	7.28%	30.52%	18.05%
2.	EBITDA (Rs. Lakhs)	3047.95	4050.18	4074.16	4160.64	4746.86	6860.00	6600.00
	EBITDA/Sales	23.38%	21.43%	21.26%	20.95%	22.28%	24.67%	20.10%
3.	EBDT (Rs. Lakhs)	1916.35	3250.83	3402.48	3651.92	4393.96	6728.00	6323.00
	EBDT/Sales	14.70%	17.20%	17.76%	18.39%	20.62%	24.19%	19.26%
4.	EBIT (Rs. Lakhs)	1269.53	2149.83	1967.64	2234.95	3055.16	4763.00	4606.00
	EBIT/Sales	9.74%	11.37%	10.27%	11.25%	14.34%	17.13%	14.03%
5.	EBT (Rs. Lakhs)	335.44	1393.20	1295.96	1726.23	2702.27	4631.00	4329.00
	EBT/Sales	2.57%	7.37%	6.76%	8.69%	12.68%	16.65%	13.19%



AIS Auto – KPI's History

AIS - Auto Glass : 1998-99 to 2004-05 HIGHLIGHTS : MARKET

Sl. No.	ITEM	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Indian Car & mov Production (Nos.)	517797	753631	708664	717716	770726	1044190	1293884
	%age change		46%	-6%	1%	7%	35%	24%
2.	AIS Market Share (OEM's)	90.00%	88.00%	92.00%	87.69%	88.31%	84.84%	84.10%
3.	AIS After Market Sales (Rs. lakhs)	2192.54	2751.69	3230.51	4149.87	4663.99	5049.48	4846.48

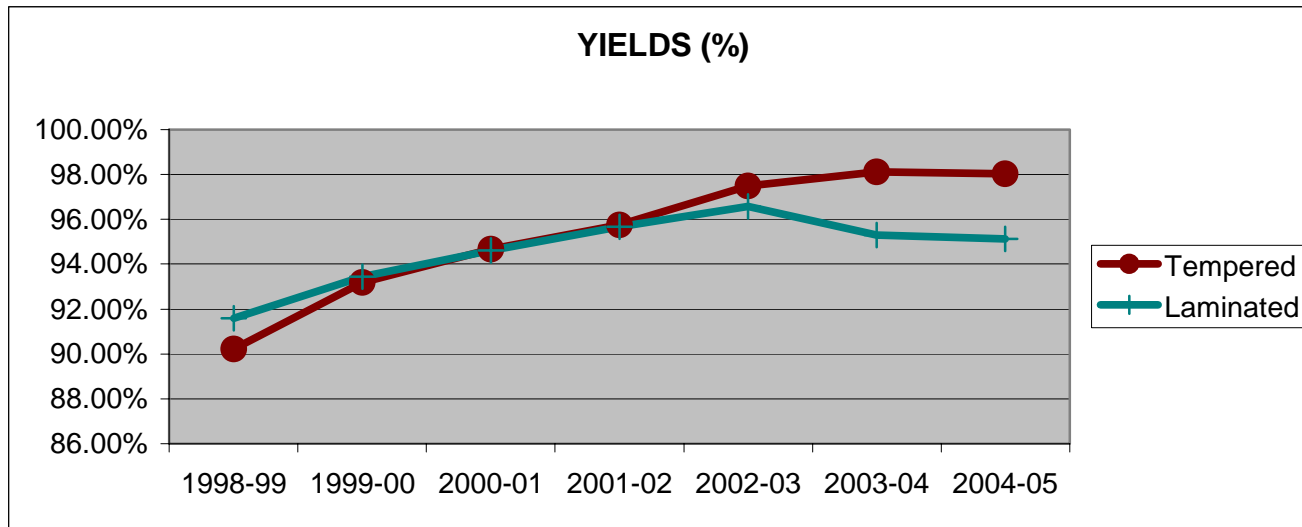


Customer	AIS Share
Fiat India	
: Palio	50%
: Uno	100%
Ford India	100%
General Motors India Ltd.	100%
Hindustan Motors - Lancer Project	100%
Honda Siel	100%
Hyundai Motors India	100%
Mahindra & Mahindra	
: Scorpio	100%
: Other MPV's	50%
Maruti Udyog Ltd.	100%
TELCO	
: Indica	70%
: Safari	100%
: Other MPV's	30%
Toyota Kirloskar	97%
TOTAL	84%

AIS Auto – KPI's History

AIS - Auto Glass : 1998-99 to 2004-05 HIGHLIGHTS : SHOPFLOOR

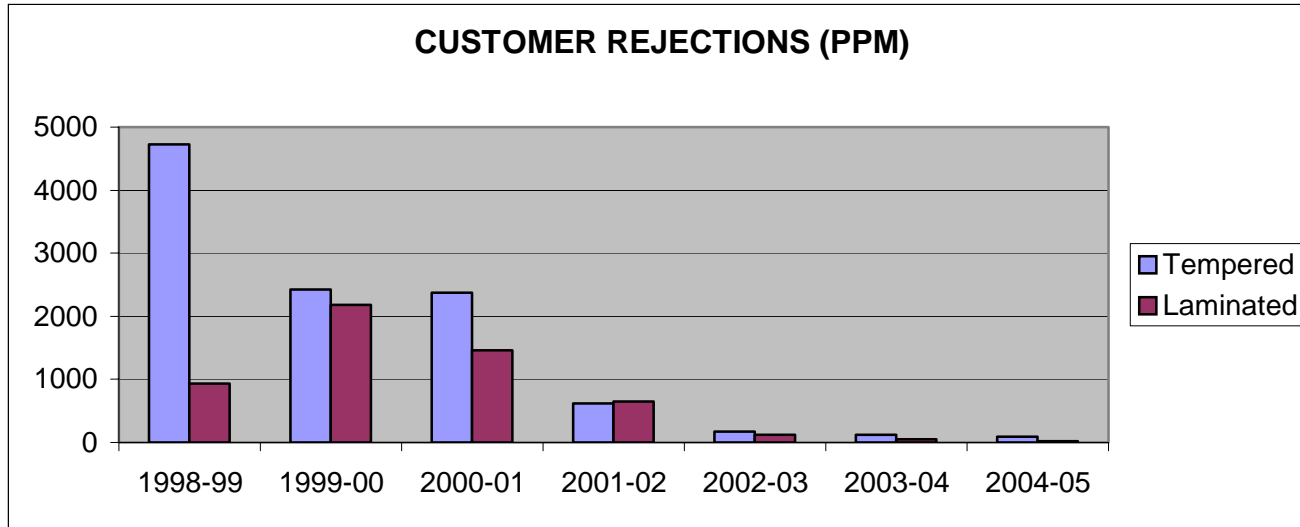
Sl. No.	ITEM	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Production sqmts.							
a)	Tempered	1174003	1659796	1683637	1655350	1779440	2290842	2684437
b)	Laminated	601341	826444	860526	878698	946742	1198313	1397766
c)	Total	1775344	2486240	2544163	2534048	2726182	3489155	4082203
2.	Production Yields							
a)	Tempered	90.21%	93.18%	94.68%	95.74%	97.49%	98.11%	98.04%
b)	Laminated	91.60%	93.44%	94.60%	95.66%	96.57%	95.30%	95.12%



AIS Auto – KPI's History

AIS - Auto Glass : 1998-99 to 2004-05 HIGHLIGHTS : QUALITY

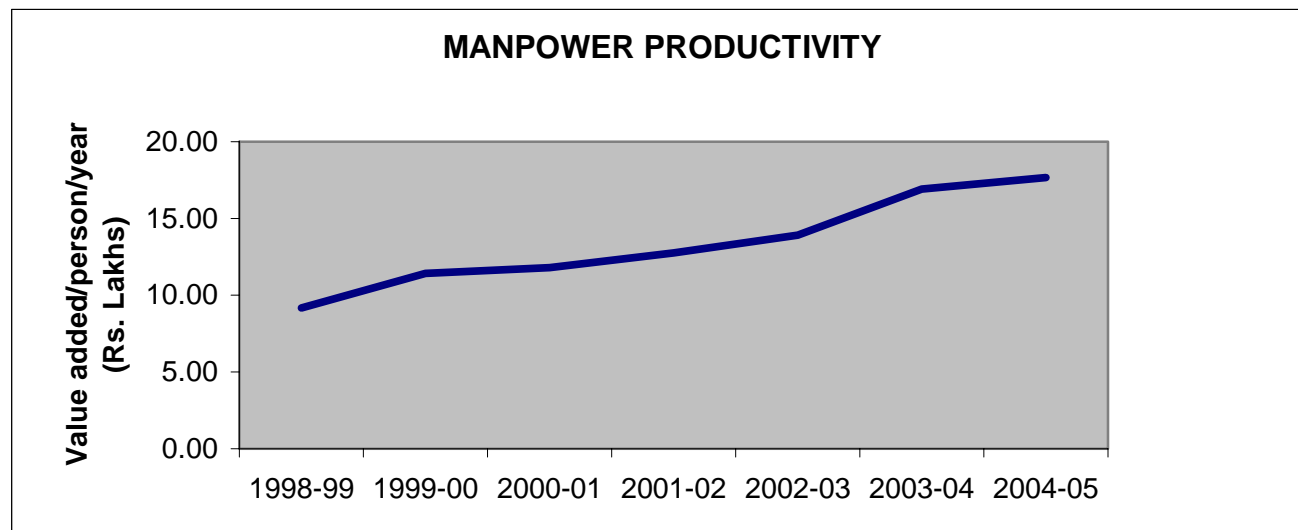
Sl. No.	ITEM	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Tempered Customer Rejections (PPM)	4723	2428	2373	619	168	122	96
2.	Laminated Customer Rejections (PPM)	933	2180	1461	648	123	53	22



AIS Auto – KPI's History

AIS - Auto Glass : 1998-99 to 2004-05 HIGHLIGHTS : MANPOWER

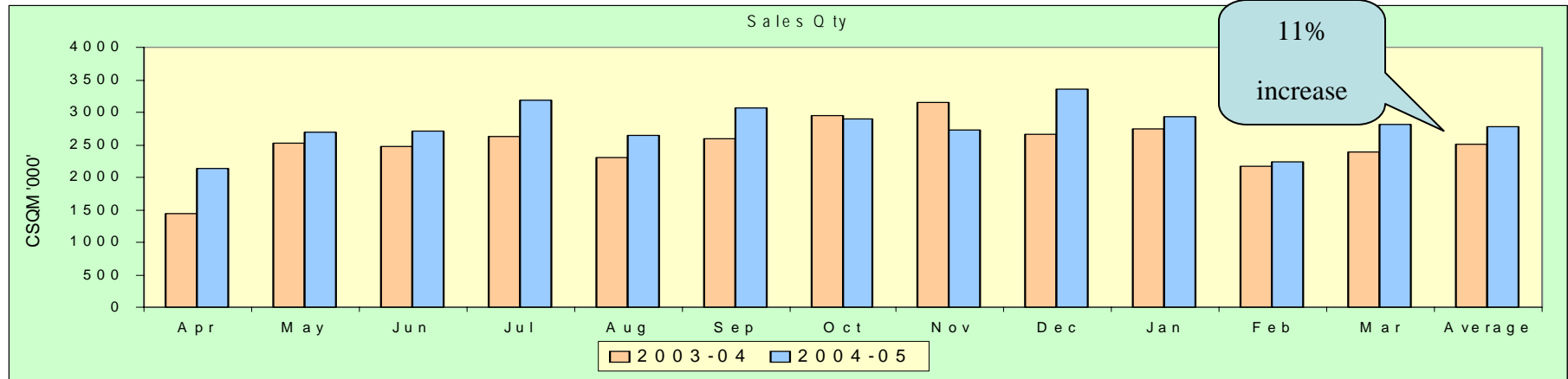
Sl. No.	ITEM	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Sqmts./person/year	2288	2747	2885	2828	3049	3601	3567
	%age change		20%	5%	-2%	8%	18%	-1%
2.	Value added/person/year (Rs. Lakhs)	9.15	11.43	11.79	12.74	13.90	16.93	17.65
	%age change		25%	3%	8%	9%	22%	4%



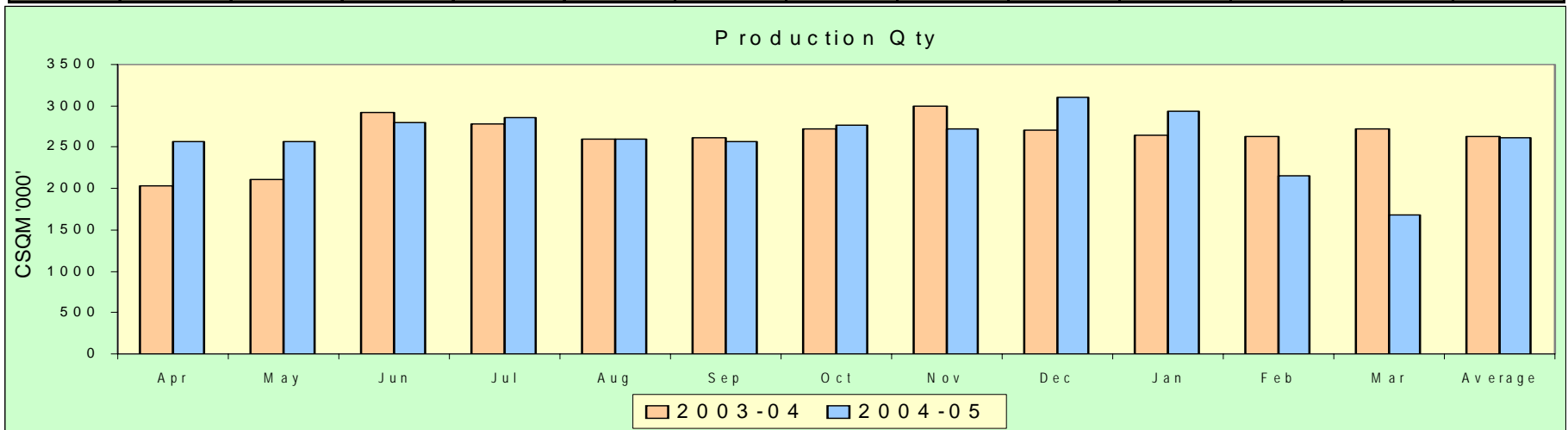
AIS (Float) : 2004-05 HIGHLIGHTS

Sales & Production Quantity

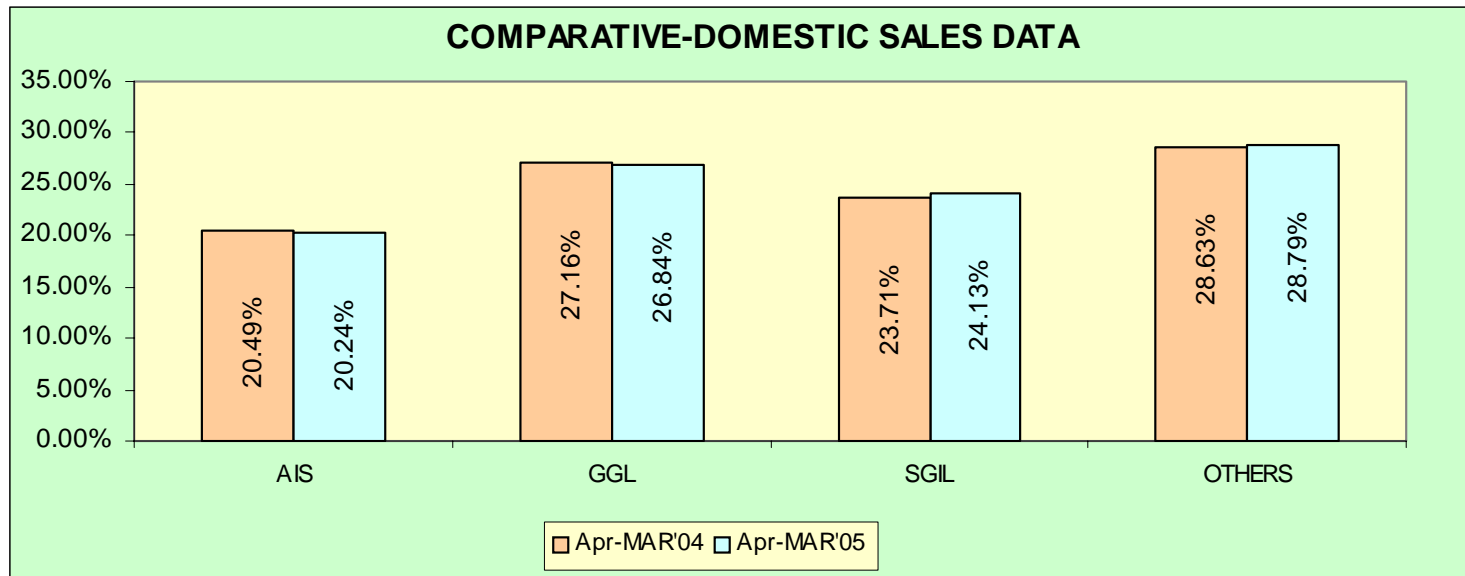
Sales Qty (CSQM in 000")												
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
1439	2529	2473	2621	2312	2590	2952	3160	2659	2742	2166	2391	2503
2141	2694	2705	3189	2648	3075	2896	2729	3360	2939	2234	2807	2785



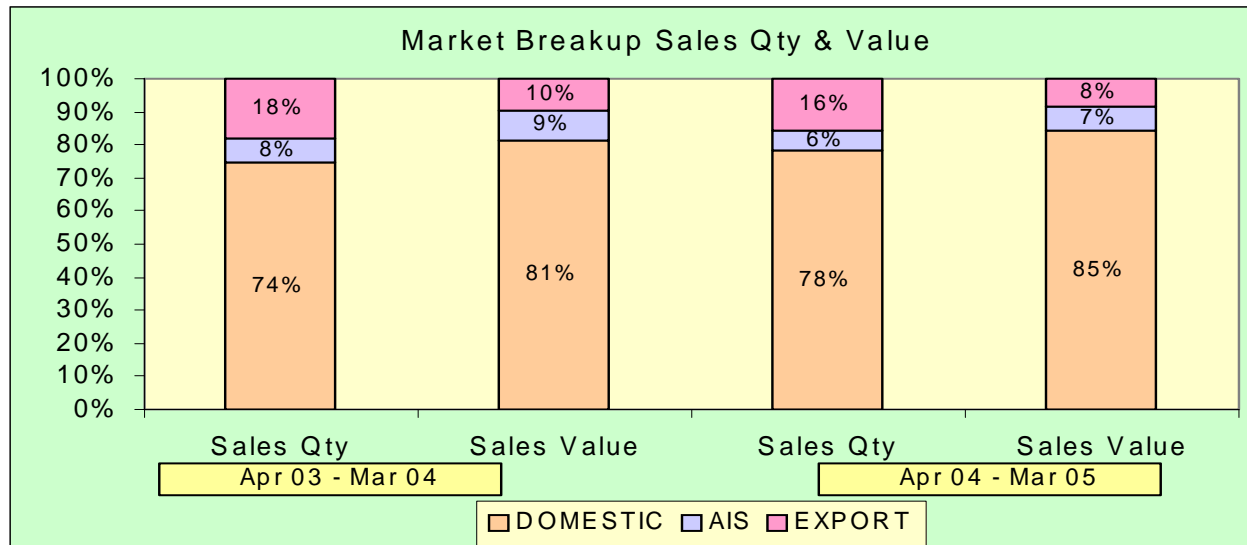
Year	Production Qty (CSQM in 000")												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
2003-04	2031	2107	2915	2780	2602	2607	2722	3001	2701	2646	2629	2719	2622
2004-05	2563	2572	2804	2853	2596	2566	2762	2726	3102	2931	2150	1675	2608



Share of Business – FY 2004-05

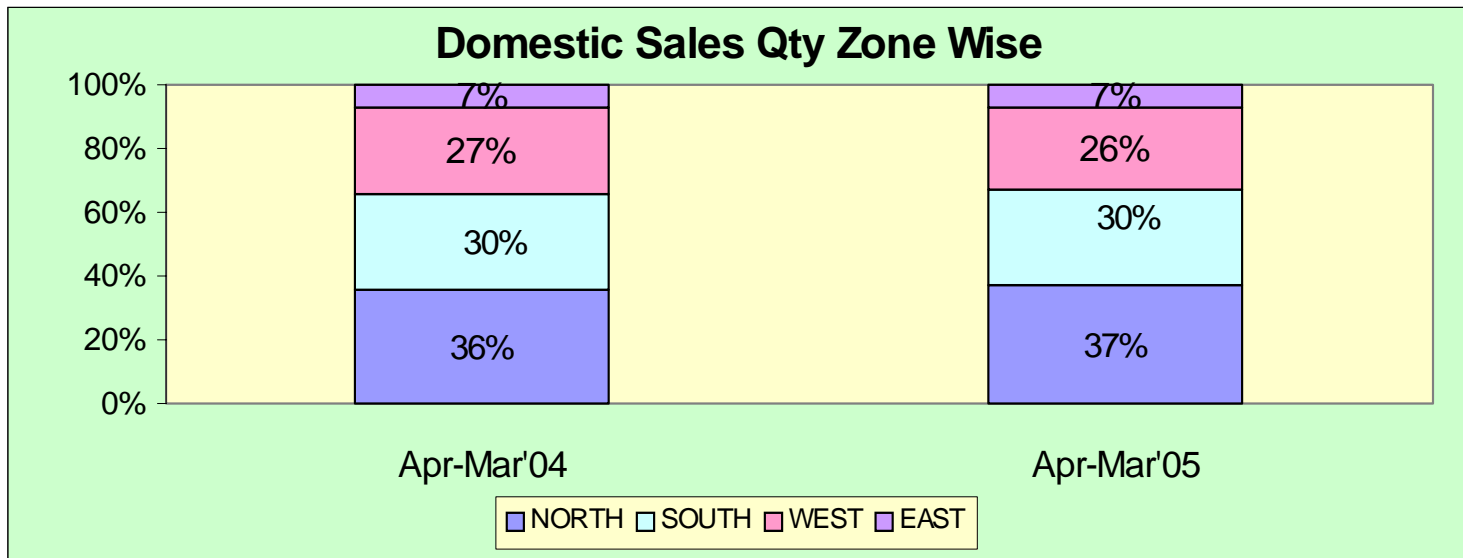


Market Break-up – FY 2004-05



Zone Wise Sales – FY 2004-05

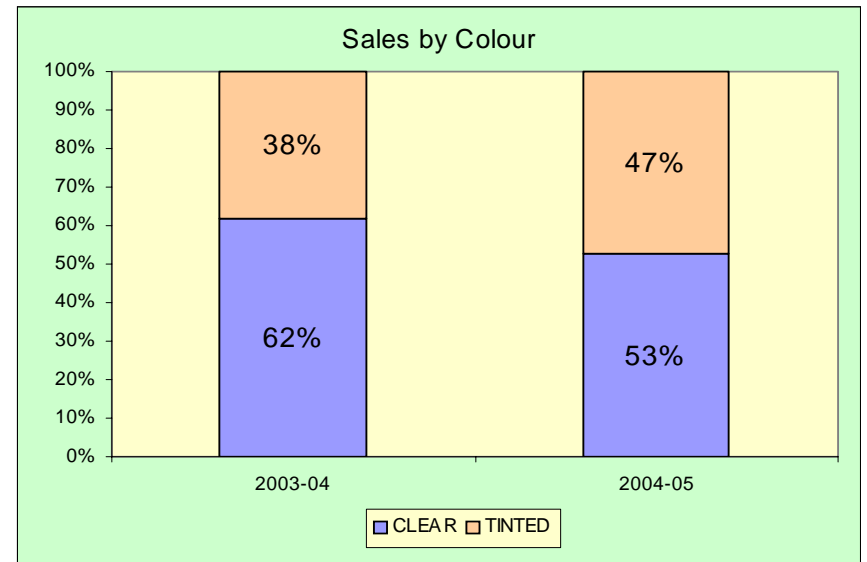
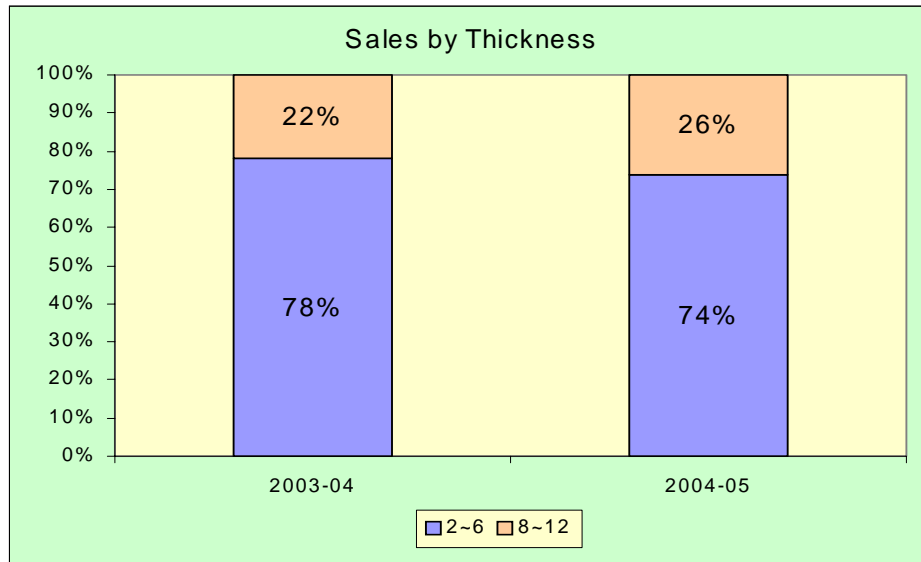
Zones	Apr-Mar'04	Apr-Mar'05
NORTH	36%	37%
SOUTH	30%	30%
WEST	27%	26%
EAST	7%	7%



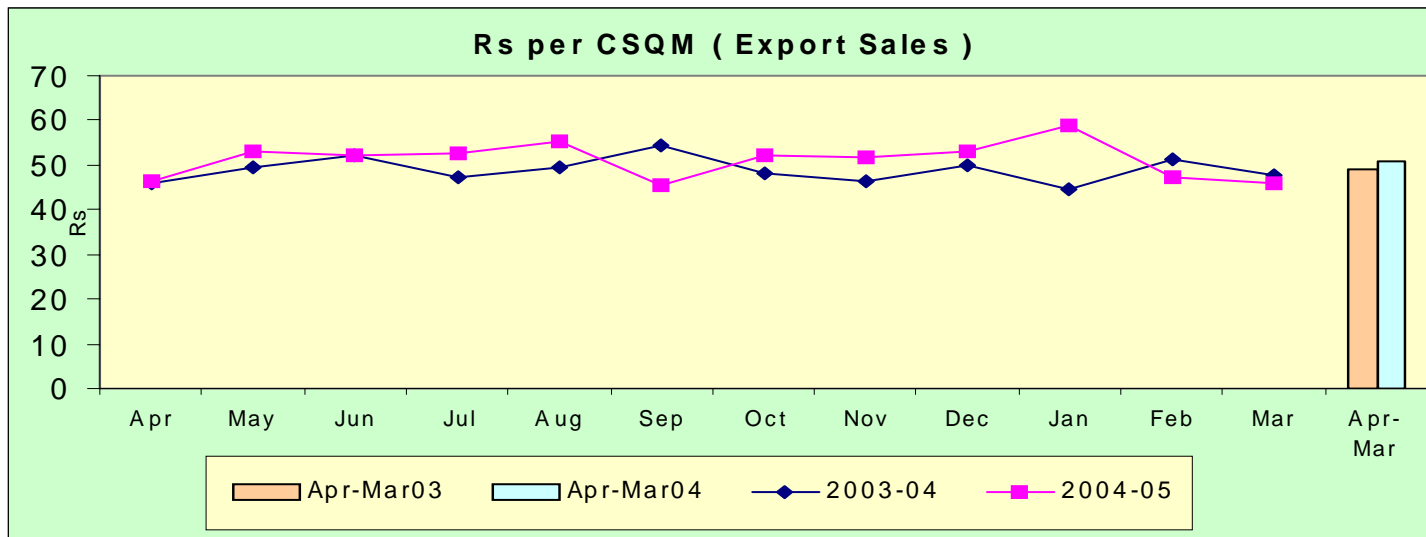
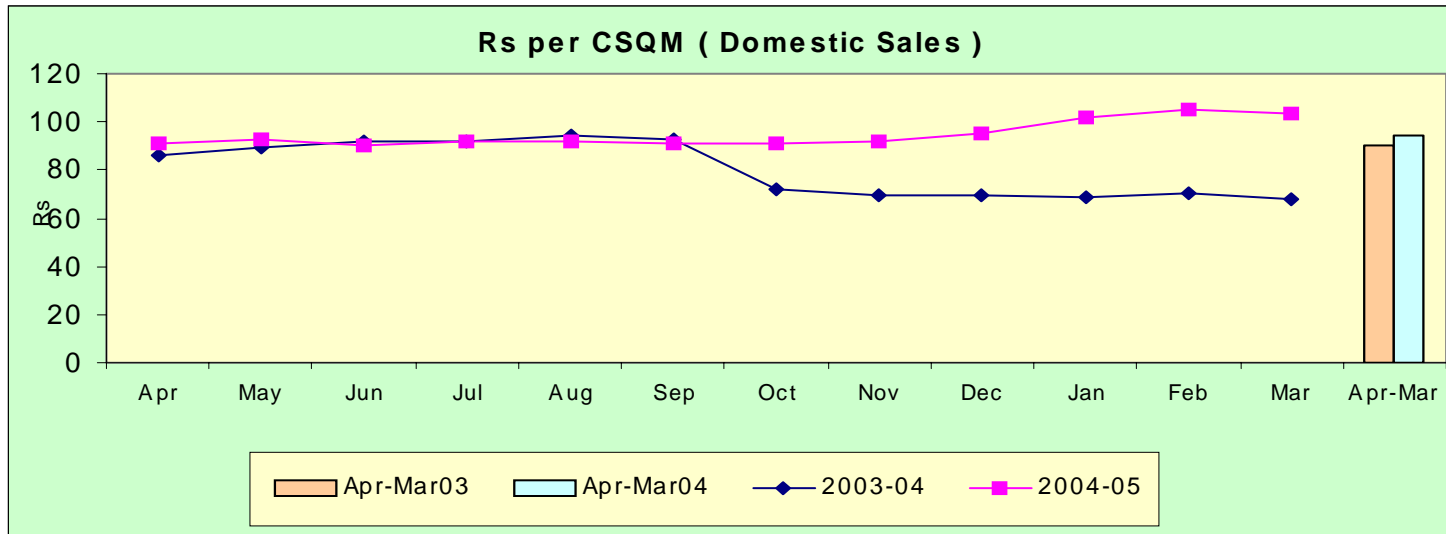
Sales by Thickness & Colour – FY 2004-05

Thickness	April - Mar	
	2003-04	2004-05
2~6	78%	74%
8~12	22%	26%

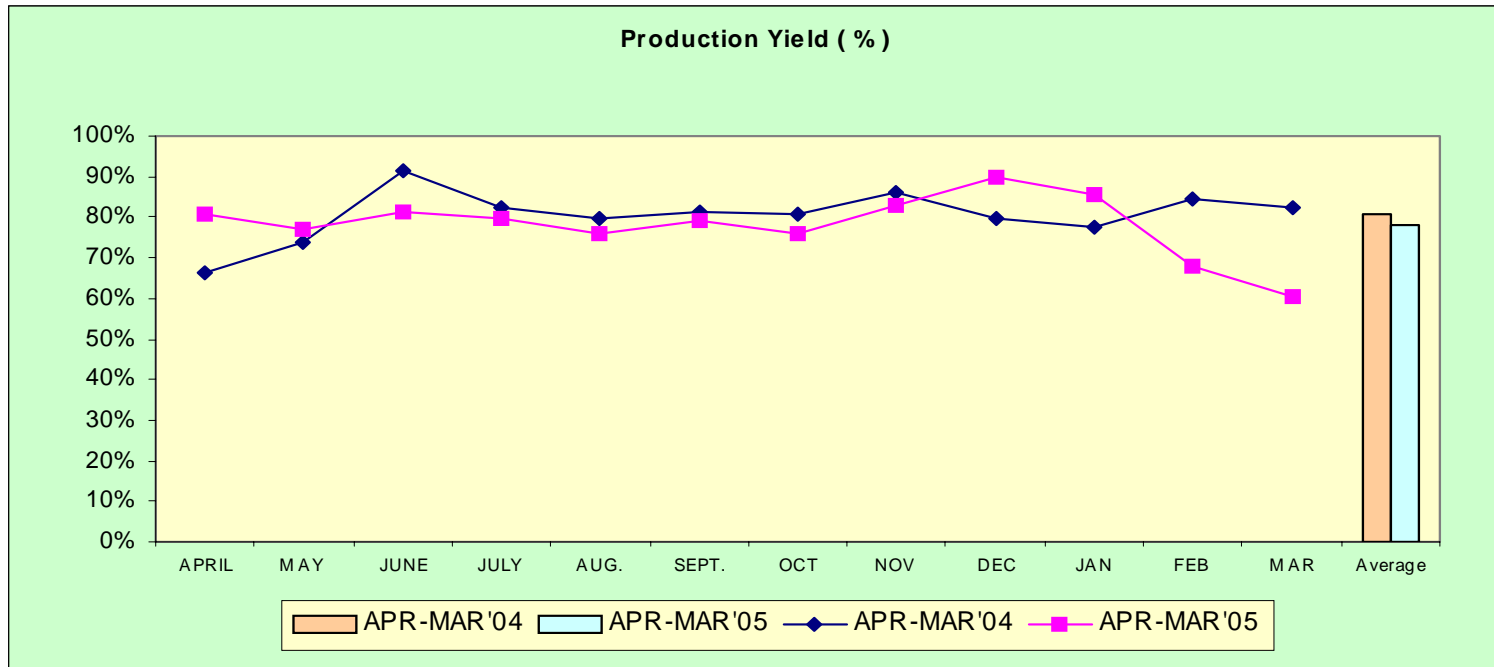
Colour	April - Mar	
	2003-04	2004-05
CLEAR	62%	53%
TINTED	38%	47%



Price Movement – FY 2004-05



Shop floor – Yield

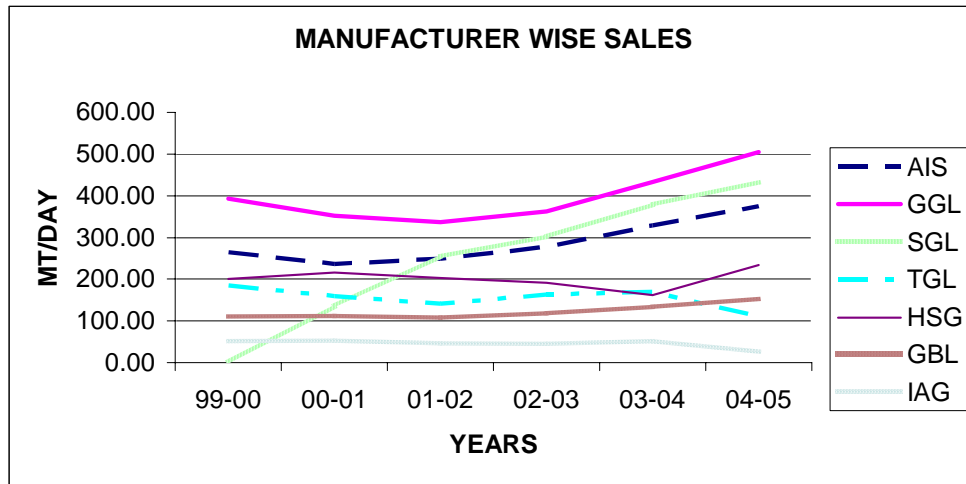


2nd Float Plant

INDIAN FLAT GLASS SALES : TILL 2004-05

FLAT GLASS SALES IN INDIA - 1999-2000 ONWARDS : BY MANUFACTURER

	AIS	GGL	SGL	TGL	HSG	GBL	IAG	Total
99-00	265.03	393.05	0.00	184.38	200.74	110.83	51.56	1205.59
00-01	236.68	351.66	134.39	159.39	215.75	111.41	52.45	1261.73
01-02	249.16	336.40	253.91	141.40	202.53	108.12	45.69	1337.21
02-03	277.97	362.72	302.06	162.81	191.41	118.69	45.07	1460.73
03-04	328.73	432.40	379.09	169.66	161.33	134.10	51.85	1657.16
04-05	375.05	504.36	433.24	110.49	233.35	152.37	25.08	1833.92



GROWTH OF FLAT GLASS SALES IN INDIA

YEAR	MT/DAY	%AGE GROWT
1997-98	988	
1998-99	1077	9.00%
1999-00	1206	11.92%
2000-01	1262	4.66%
2001-02	1337	5.98%
2002-03	1461	9.24%
2003-04	1657	13.45%
2004-05	1834	10.67%
CAGR GROWTH		9.23%

Average for the year.

GROWTH OF FLOAT GLASS SALES IN INDIA

YEAR	MT/DAY	%AGE GROWT
1999-00	842	
2000-01	882	4.71%
2001-02	981	11.19%
2002-03	1106	12.71%
2003-04	1310	18.48%
2004-05	1423	8.65%
CAGR GROWTH		11.06%

Shows the increasing penetration of float.

AIS (Float) - 2nd Float Plant Location

Various sites were studied, considering the following criteria

1. Closeness to market

As per this criteria, the 2nd float plant was required in North India :

- North India biggest market in the country.
- AIS's own automotive glass facility – the single largest consumer of float glass in the country – being in the North.
- No float glass manufacturer currently has a plant in the North.

2. Closeness to raw material

3. Availability of tax incentives – explained in some more detail in the following slide.

Among the considered sites, Roorkee only has this fairly substantial advantage.

Roorkee in Uttaranchal offers the tax incentives as described in the following slide.

Being in the North, Roorkee also qualifies as being close to the largest regional market in the country.

Roorkee has, thus, been selected for setting up the Integrated Glass Plant of AIS.

2nd Float Plant Location – Tax Incentives

1. The tax incentives being available at Roorkee (Uttaranchal) are described below :
 - a) No Excise Duty (Manufacturing Tax) for 10 years. Excise Duty is currently levied at an ad valorem rate of 16% of the ex factory selling price.
 - b) 100% Income Tax exemption for 5 years followed by 30% Income Tax exemption for the subsequent five years.



Roorkee, in the State of Uttaranchal

Looking Forward. . .

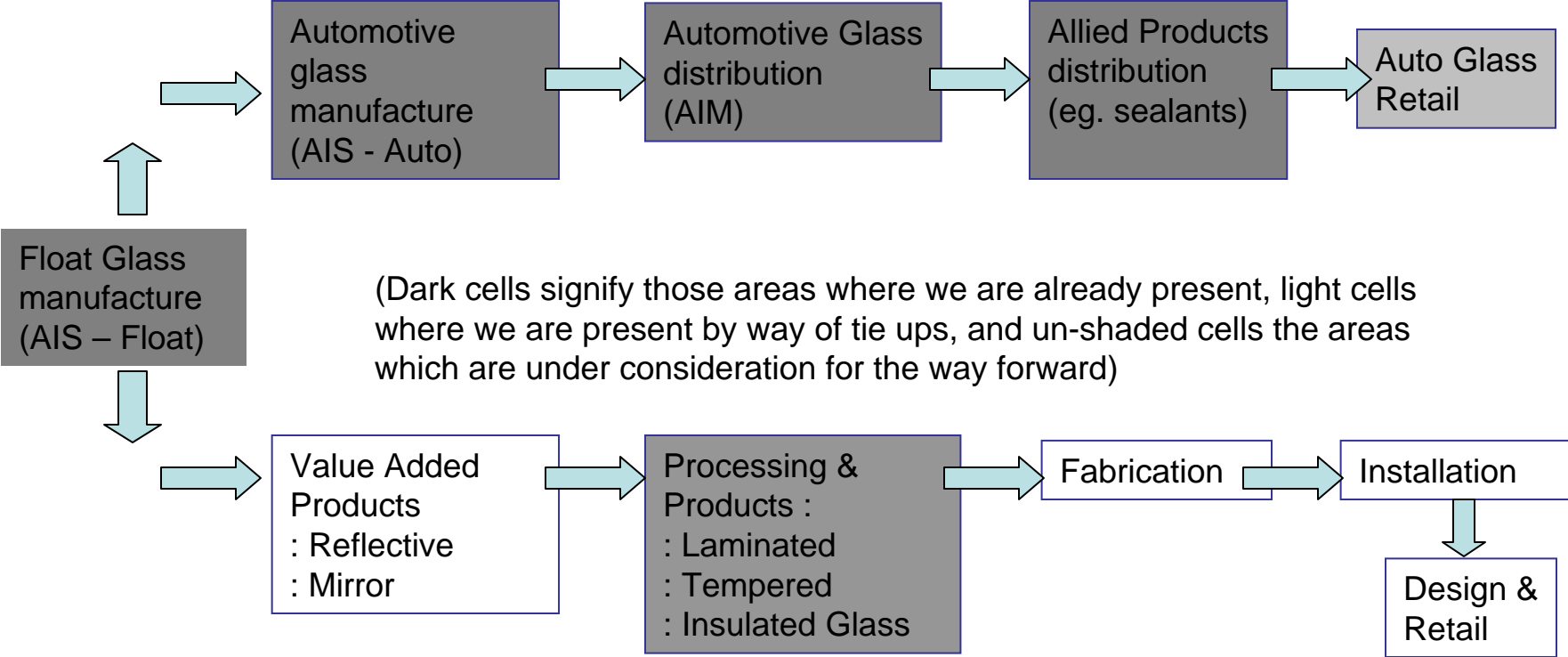
VISION

To be India's leading integrated glass company.

AIS Group Vision

To be India's leading integrated glass company

AUTOMOTIVE GLASS VALUE CHAIN



ARCHITECTURAL GLASS SOLUTIONS

Value Chain Strategy

Going forward, AIS's strategy to encompass the front end of the glass value chain is a crucial element.

1. The main aim is, of course, from an offensive stand point – i.e. to capture profitable markets at the value added end of the glass value chain.
2. From a defensive stand point, this strategy is vital to ensuring enlarged in-house glass consumption, so that in the event of a slow down beyond anticipation, or prices at the commodity end of the business being lower than expected – AIS would have the most leverage to consume its own glass and provide value added products – both in the automotive as well as architectural markets – which tend to be less prone to demand and price fluctuations.
3. The next few slides shows the movement of glass in AIS's value chain

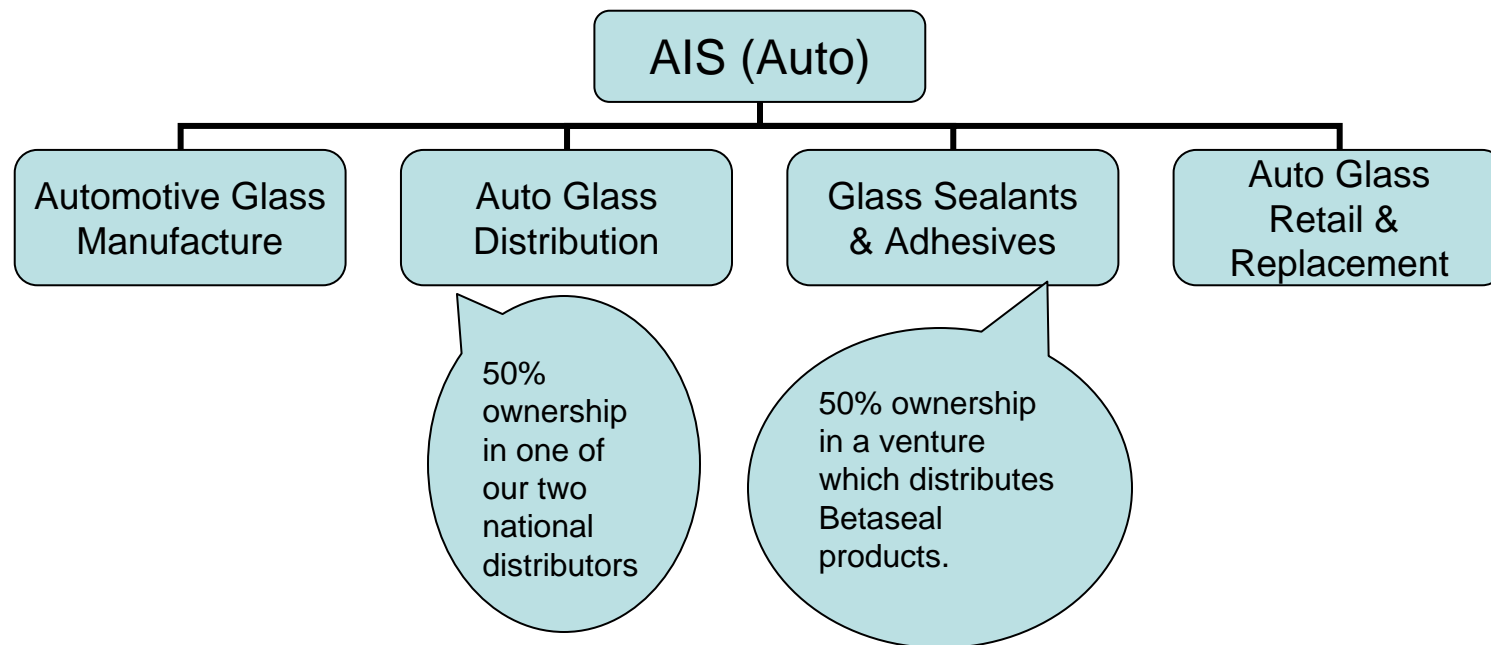
Automotive Glass Value Chain

AIS (Auto) – Value Chain

A key area of strategic initiative has been AIS's focus on building direct sales in the after market, to de-risk sales.

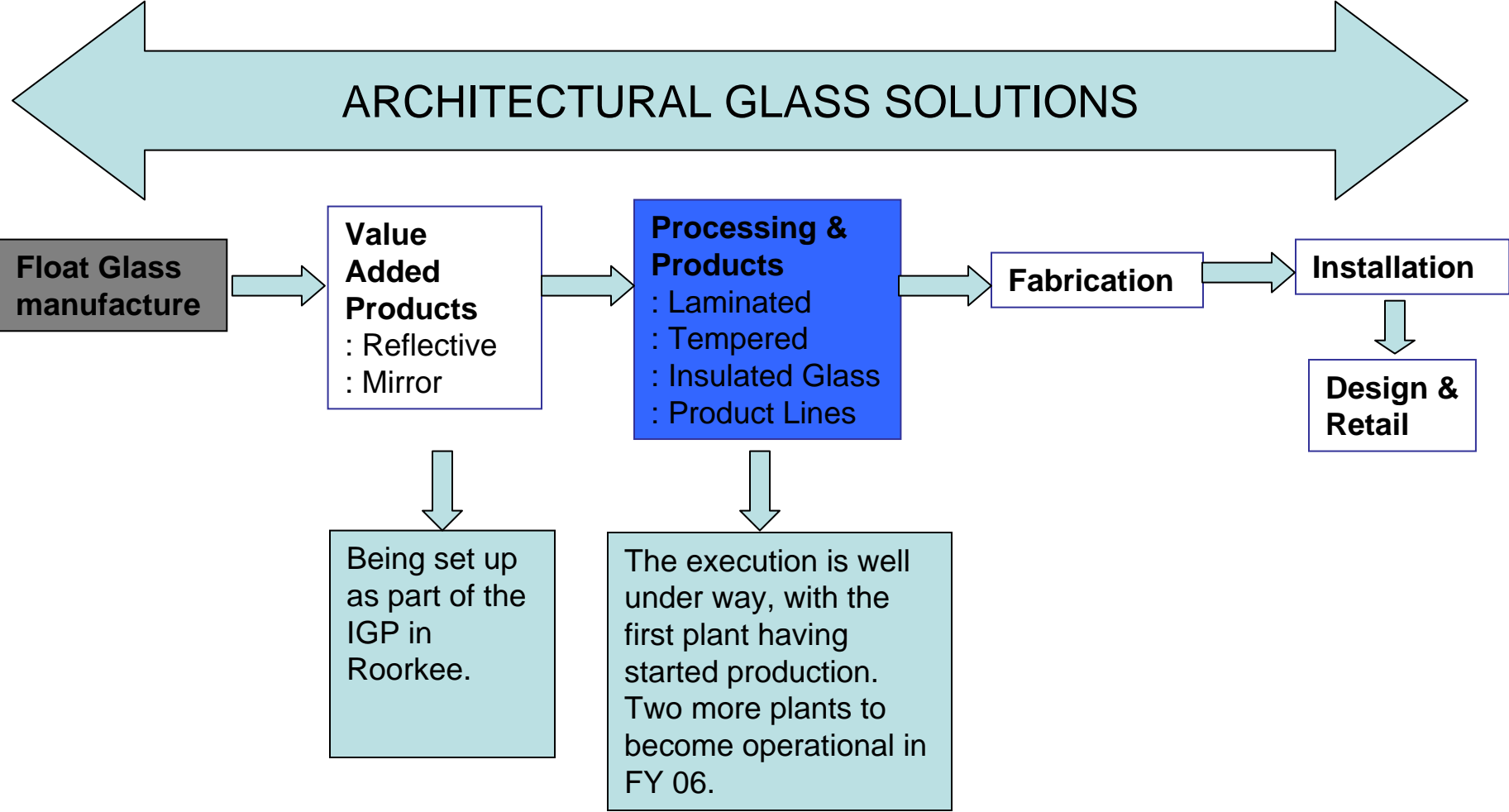
Because of the initiatives taken, after market sales have grown at over 20% per annum, over the last five years, to comprise 20% of our total sales.

Our automotive glass business now encompasses:

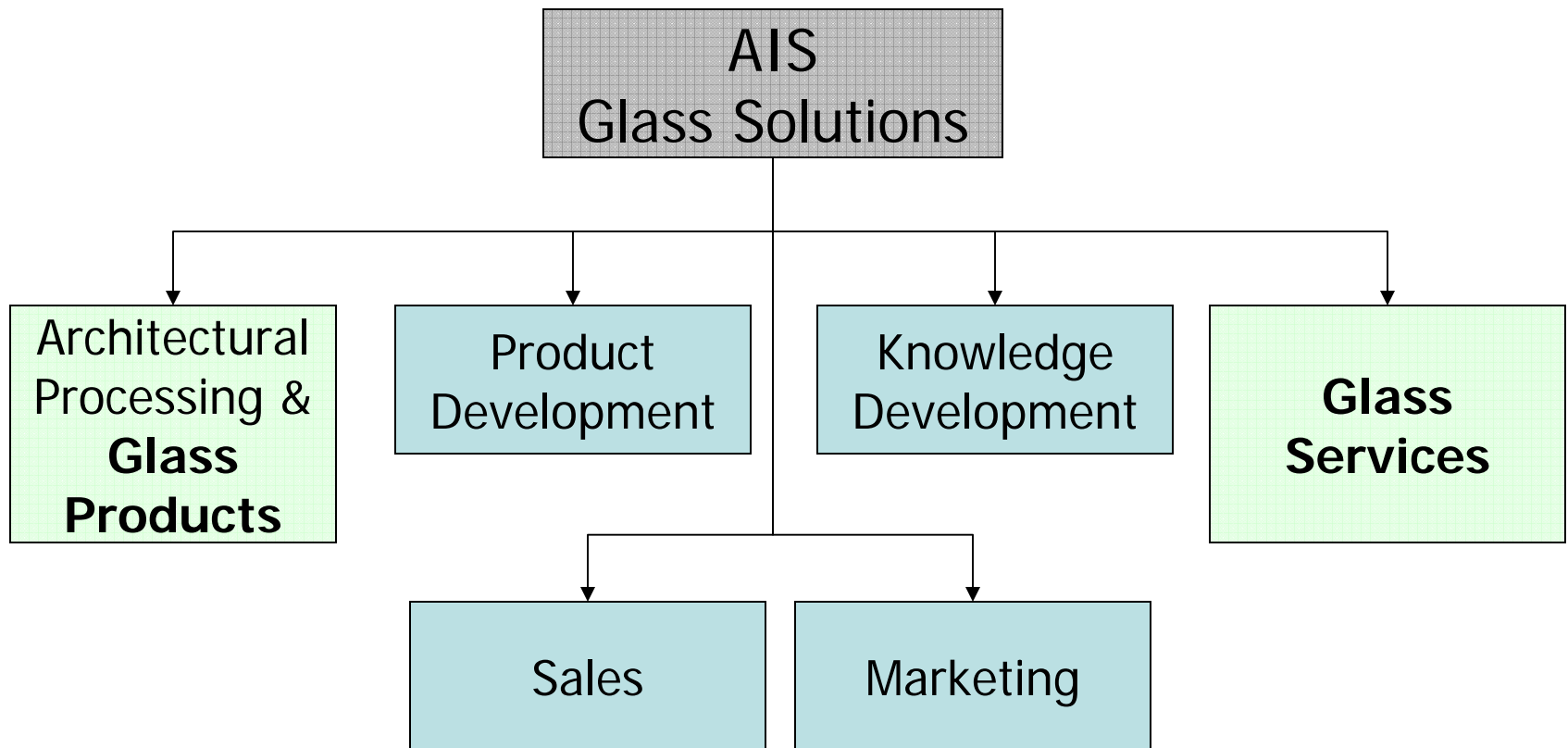


Architectural Glass Value Chain

Glass Solutions - Introduction



Forms of AIS Glass Solutions



■ Cost Centers
■ Profit Centers

Glass Solutions - Concept

- An exercise in value addition
- 5 year objectives
 - Consume *6000 tons* of float glass per month
 - Raise glass consumption in the country from the current level of 0.60 kg per capita by introducing innovative product lines, including:
 - A line of *bath enclosures*.
 - Standard line of *glass shelving*.
 - Line of specialty laminated glass called “*Frontage*” for *burglar-resistance, energy saving and sound proofing applications*.
 - A line of *manufactured windows*.
 - Establish dominant presence through the value chain, including through *processed glass* as well as down stream through *Glass Services* to provide a one stop shop to consumers.
 - ***Make AIS the No. 1 glass brand in India***

Glass Solutions – Products and Services

- Processed glass for architectural applications
 - Laminated glass
 - Tempered glass
 - Insulated glass units
- Product lines, starting with bath enclosure line
- Glass installation service for low volume, high-value jobs in top 8 urban centres.

Architectural Processing

- One integrated plant with tempered, laminated and insulated glass at Taloja, near current float plant – in 2004-05 – commenced production in March 2005.
- Additional tempering lines in Chennai and North India in FY 2005-06.

GUIDING PRINCIPLES

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

1. Customer satisfaction
2. Creation of Value for Shareholders
3. Respect for the Environment
4. Use of facts
5. Continuous Improvement
6. Strengthening of Systems
7. Upgradation of human potential by education and training
8. Social Consciousness