

# "Luxury cars are huge area of opportunity for Asahi India Glass"

**A**sahi India Glass (AIS) has a dominant presence in both OEMs as well as aftermarket segments of the country's automotive glass industry. With increase in awareness about safety and quality, the company expects the demand for high quality and value-added solutions to increase in the country. To meet the growing demand, AIS is setting up its fifth automotive glass plant in Gujarat with a proposed investment of Rs 500 crore in two-phases. According to **Amit Sood**, Executive Director – Sales & Marketing, Asahi India Glass Ltd, this investment will help AIS to further expand its manufacturing footprint in India. Adept at identifying and strategising new business avenues and practices, Sood has been a key contributor in achieving sustainable and profitable growth for the company. In conversation with **Rakesh Rao**, Amit Sood explains the market dynamics of automotive glass market and how AIS plans to tap the emerging opportunities.

**As a leader in the automotive glass space, how has been the journey of Asahi India Glass (AIS) in the country?**  
As India's leading integrated glass company, AIS delivers top-of-the-line products and solutions through its four strategic business units of automotive glass, architectural glass, consumer glass and solar glass. The company is a pioneer in the automotive glass industry in India, with about three decades of proven leadership in technology, scale, and QCDDM. AIS is the only automotive glass company in the country to have received the prestigious Deming Application Prize in 2007.

Over the years, AIS Auto Glass has expanded from a single location manufacturing company into one with multiple productions and assembling facilities across different regions of India. Today, we have four state-of-the-art

production facilities at Bawal (Haryana), Roorkee (Uttarakhand), Chennai (Tamil Nadu), and Taloja (Maharashtra).

Asahi India Glass offers unmatched location flexibility to its customers with multiple plants spread across the country, which run at optimum capacity and have the capability to produce products as per customer requirements. This will be further bolstered by the addition of a new greenfield facility in Gujarat with the capability to produce the entire auto glass range.

With warehouse-cum-sub-assembly units in Gujarat, Pune, and Bangalore, supported by a stocking facility in Gurgaon, AIS mitigates any disruption in the supply chain by being close to customers, with each warehouse maintaining adequate inventory to manage any contingency.

The widest range of glass products available in automotive sector in India today is from AIS and includes not just laminated windshields & tempered glass for sidelines and backlites but also host of sub-assembly and value-added products like defogger glass, acoustic glass, encapsulated glass, etc. and innovative products like

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plug-in windows, water-repellant glass, and rain-sensor windscreen, to name a few.

Asahi India Glass is a dominant brand covering the entire spectrum of the auto industry which includes market leaders like Maruti Suzuki, Hyundai Motors, Tata Motors, Mahindra & Mahindra, Toyota Kirloskar, Honda Cars India, Volkswagen India, Ford India, Skoda Auto and Fiat India.

**What is the rationale behind setting up a greenfield automotive plant in Gujarat?**

We are setting up our fifth automotive glass plant - a new green field project in Gujarat - mainly to service the requirements of Maruti Suzuki plant in Gujarat. Our Gujarat project will be a state-of-the-art automotive glass plant with the latest global technologies with the ability to manufacture all value-added glass products for automotive requirements.

Asahi India Glass will make an investment of up to Rs 500 crores in this project in 2 phases. In the first phase, the plant will have capacities to produce about 1 million laminated and 1.2 million tempered glass sets per annum. Our Gujarat plant will further strengthen our scale, flexibility, and ability to seamlessly service our customers across India.

This investment is in line with the Make in India initiative launched by the Government of India, and with this investment, AIS will further expand its footprint across India with manufacturing plants and advanced sub-assembly units across multiple locations in the country.

**How is the market for automotive glass in India? What is driving the demand?**

The economic growth had been sluggish in Q1, FY17-18, on account of GST but is expected to pick up in coming quarters due to normal monsoon and signs of improvement in IIP which impacted the automotive demand.

However, the long-term outlook for the automotive market and hence the automotive glass market appears to be positive.

**Increasingly carmakers are looking to replace the glass with other new-age materials (such as polycarbonate). Do you see this as a threat to auto glass industry?**

We do not see the polycarbonate as a challenge to the auto glass industry. Its usage is currently limited due to cost and as it's resistance to physical abrasion is low as compared to the tempered glass.

**How is the demand for glass from various segments of the auto industry? Which segment consumes the high amount of glass per unit of vehicles?**

The demand for automotive glass across the segments – passenger vehicles, commercial vehicles, three wheelers - has increased during FY17-18. Further, the demand for value-added glasses has increased. Commercial vehicles (consisting bus and trucks) use the laminated and tempered range of glasses albeit in larger sizes and higher glass thicknesses. AIS commands more than 75 per cent share in the Indian passenger car glass market.

**Is rising number of luxury (high-end) cars a huge area of opportunity for auto glass makers?**

Yes, the luxury (high-end) car OEMs like Audi, JLR, Mercedes Benz, BMW etc are a huge area of opportunity as currently they are importing glass from other countries.

**In terms of new product development & research for the auto glass industry, what is your current area of focus?**

We are jointly discussing with OEMs for vehicle development. We are also constantly discussing with our collaborators AGC Inc, Japan, for introducing new value-added technologies and making process and technology in-house.

The new products recently developed by AIS includes solar control glasses, acoustic glasses, UV cut glasses, light weight glazing and better designs with improved optical properties of windscreen and temporalities.

**How is the aftermarket auto glass sector evolving? Are you seeing increased competition from other regional players? How much does aftermarket sales contribute to the total sales (from auto industry)?**

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that the Indian economy will continue its growth momentum and, therefore, there will be opportunities for AIS.

But, with increased consumer awareness on safety and quality, AIS products are well accepted and demanded in the aftermarket.

Asahi India Glass has a dominant presence in OEMs and vehicle segments as evident from our market share. We have been successful in retaining our leadership position in the OEM segment due to the continuous support and trust of our customers and backed by exceptional QCDDM performance. AIS has a dominant share in the aftermarket (with more than 40 per cent share) despite the presence of multiple players in this segment and imports from China.

As far as addressing the needs of the unregulated market is concerned, it is expected that with the implementation of new CMVR (Central Motor Vehicles Rules) norm more and stringent focus should be there on quality and safety of consumer which will help us in proposing our high quality and value-added solutions to this segment.

With increased consumer awareness on safety and quality, Asahi India Glass products are well accepted in the aftermarket and it contributes 9 per cent to the total automotive sales of AIS.

**What are your short and long plans to further grow your auto glass business in India?**

We are confident that the Indian economy will continue its growth momentum and, therefore, there will be opportunities for AIS. The auto industry is highly upbeat with renewed consumer confidence and the slew of new high-quality product launches. However, this growth will be skewed towards a few winners and will involve high levels of volatility and complexity. Such an environment suits Asahi India Glass well due to our extreme customer sensitivity and our readiness to equip ourselves for such positive ambiguity.