

Float glass producer plans second line in Gujarat

Mr K C Jain, President of HNG Float Glass Ltd and Chairman of the Architectural Glass Panel and Hon Treasurer at the All India Glass Manufacturers' Federation speaks exclusively to *Glass Worldwide*.



Mr K C Jain joined HNG Float Glass in 2005.

One of eight float lines in India, HNG Float Glass operates a 600 tonnes/day installation that is responsible for satisfying some 16% of domestic demand. The business was the brainchild of Mr C K Somany and family, whose highly successful Hindusthan National Glass & Industries Ltd has been India's dominant glass container producer for more than five decades. The opportunity to diversify into the float glass sector was taken in 2007, with the construction of a greenfield project in the western state of Gujarat.

Running independently from the parent organisation, HNG Float Glass was formed with investment from the Somany family, supported by

IFC Washington. From the outset, the fledgling business was able to call on the technical glassmaking knowledge of the HNG Group, as well as benefitting from its central purchasing function for the procurement of major raw materials and capital goods. "The group's scale of glass industry operations, combined with the Somany family's long-term relationships with major suppliers definitely helped HNG Float Glass to achieve commercial and economic benefits" Mr K C Jain, President explains.

Subsequently, this solid beginning has been further reinforced via the involvement in the enterprise of one of the industry's leading glassmaking groups. With headquarters in Istanbul, Sisecam is the world's fifth largest float glass manufacturer via its Trakya Cam subsidiary. Sisecam acquired a 50% shareholding in HNG Float Glass in 2013, working closely with the Somany family to improve operations, resolve problems and provide guidance to the operational team. The multi-national group's diverse experience has also been helpful to expand market opportunities both domestically and internationally.

"Trakya Cam has long-term objectives and plans for manufacturing in India, this being its first diversification in Asia" Mr Jain comments. "They know

that India will be a fast growing market and therefore, they wish to have a major presence in the country and want to establish themselves as one of the largest suppliers for architectural as well as automotive glass manufacture and fabrication."

Mr Jain joined HNG Float Glass in 2005, having worked previously in a variety of roles for a diverse range of industries, including metals (steel and non-ferrous), paper and engineering. As President of the organisation, he was accountable for planning and commissioning the greenfield float project and now reports to a Board of Directors that comprises an equal number of Directors from HNG and Sisecam. His main responsibility is to oversee all operations, including sales and marketing, finance and procurement, as well as being answerable for performance and profitability. "The experience and knowledge of Somany family members and group Chairman Mr C K Somany in particular has always brought confidence and guided me to improve the performance of HNG Float Glass" he says.

GUJARAT SITE

The Halol plant occupies an area of 120 acres and comprises a 600 tonnes/day clear float line and a processing unit, with the capability to produce all kinds of toughened and insulated glass for architectural use, as well as facilities to manufacture a variety of mirrors, lacquered and frosted glass. In addition to serving local customers, the glassworks exports to several countries.

Gujarat was identified as the best location for HNG's first float plant, a decision based largely on the local availability of raw materials, transport infrastructure and market potential in western India. The project was completed within 21 months, making it the fastest execution within Indian glassmaking history. USA-based Toledo Engineering Co was responsible for technology selection and execution, including float bath components and annealing lehr from CNUD and cold end cutting >



The HNG Float Glass Ltd plant occupies an area of 120 acres at Halol, Gujarat.



The factory features a 600 tonnes/day clear float line.

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The Halol project was completed within 21 months, making it the fastest execution within Indian glassmaking history.



Mr K C Jain (far right) was elected Hon Treasurer of the AIGMF this September.

equipment from Bottero. LiSEC was the main equipment supplier for the processing facility.

With a 310-strong workforce, the glassworks has now been operating successfully for seven years. Since commissioning, high product quality levels have been maintained, plant utilisation has improved to 110% and yield has improved from 85% to 90% on a consistent basis. By using locally sourced raw materials, costs have been halved since start-up, while operating parameters have been optimised. The company received a National Energy Conservation Award in 2011 from the Government of India as recognition for being the nation's most efficient glass company.

Planning for another 900-1000 tonnes/day production line at Halol is nearing completion, with confirmation of the investment expected in the coming weeks. Completion of this project is likely to lead to the manufacture of tinted glass and hard coat reflective glass, followed by the introduction of a soft coat line for solar control/low-E glass.

Ultimately, HNG Float Glass plans to build four additional lines in India to become a multi-location supplier, serving the production and fabrication interests of the local architectural and automotive industries. The company already follows stringent quality specifications that conform to EN-572-2, offering the cleanest and clearest glass to Indian consumers.

A strategically located office in Mumbai, close to the plant, is responsible for the management of sales, marketing and administration.

According to Mr Jain, while float glass demand in India continues to increase to unprecedented levels, imports from such countries as Saudi Arabia, the UAE, Pakistan and Iran are still sourced by customers to supplement locally manufactured material. "Recently, the government has imposed anti-dumping duties on most countries, with the exception of Iran. Import duties on Chinese glass will continue for another five years, helping Indian producers to sell their glass at reasonable prices."

MARKET TRENDS

With consumption lower than most emerging nations, the Indian flat glass industry is still at an embryonic stage. But with proposed government regulation for the use of laminated and toughened double glazed units on the cards, however, demand is expected to increase significantly in the future.

"In good times, the automotive industry has grown by 21%-24% and the architectural sector by some 7.5%-

8%" says Mr Jain. "In the medium term, we hope this growth level will be achieved and with long-term GDP growth projected between 8% and 10%, we expect glass demand to increase by 12%-14% CAGR as both demand drivers are bound to grow continuously."

Mr Jain contends that a key challenge facing Indian producers relates to the importation of low quality glass from such countries as Bangladesh, Pakistan, Indonesia and China. In addition, he acknowledges the current restricted availability of appropriate glass for the automotive sector. On a more positive note, he believes the local industry can take advantage of emerging opportunities from the automotive and solar sectors, where increased use of thermal and photovoltaic products are expected to provide excellent growth potential.

A member of the Architectural Glass Panel at the All India Glass Manufacturers' Federation for the last five years, Mr Jain is currently its Chairman. With the exception of one company, every Indian float glass producer is a member. The panel discusses common industry problems and finds solutions for better co-operation. Key projects undertaken include the successful reduction of glass packaging, whereby the industry is shifting to glass transportation without using wooden packaging, as well as modifications to national building codes and standards.

Having been elected Hon Treasurer in New Delhi last September, Mr Jain acknowledges the importance of the AIGMF as the Indian glass industry's voice piece to raise issues relating to commerce and business with national government authorities.

In particular, he is pleased the federation has expanded its coverage to embrace the industry's flat glass interests alongside hollow glass, via its reinvention as a modern and relevant industry body. This was illustrated at the AIGMF Conference alongside glasspex INDIA in 2015, where the 'Use of glass in buildings – Facades of the future?' conference shared the message of what glass can do with the stakeholders in attendance. Similarly, he believes the co-operation that exists between the AIGMF, *Kanch* and *Glass Worldwide* benefits the local glass industry as a whole. "There is nothing better than sharing knowledge and information" he adds.

CHALLENGES AND OPPORTUNITIES

Currently, HNG Float Glass offers only clear float glass and related products, which is acknowledged as a major constraint to improved business performance. With a second production line on the horizon, however, the product portfolio will be significantly increased in the not-too-distant future. Float glass demand is expected to increase at a CAGR of 11%-14%, as many opportunities emerge in the country's infrastructure. The main drivers of glass demand (construction and automotive) are likely to grow at 8% and 22% respectively. ■

FURTHER INFORMATION:

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