



HNG Float Glass Limited

Company Profile

Dr. A.K. Bandyopadhyay, Technology Consultant & Ex-Principal, Government College of Engineering & Ceramic Technology, West Bengal University of Technology, Kolkata and Member Editorial Board, AIGMF Quarterly Journal of Kanch, interviewed Mr. K.C. Jain, President, HNG Float Glass (HNGF) Limited at Glasspex-India at Mumbai on March 20, 2013 at HNG Float Stall to finalise the script for Company Profile of HNG Float Glass for publication in Kanch. Profile of the company prepared by Dr. Bandyopadhyay after the said interview is as under:

HNG Float Glass Ltd., was incorporated under the banner of the Mr. C.K Somany Group on July 29, 2006. The project started in January 2008 and installation of the Float Glass plant was completed in a record time of 22 months. Ground breaking ceremony took place on January 30, 2008 and furnace firing was done on November 30, 2009. The plant started commercial production in February, 2010, i.e. about 3 years ago.

The plant is located at Halol about 40 km from Baroda and 150 Km from Ahmedabad - largest city in Gujarat that is also the hub of major business activities in the region. Company's corporate vision is to become a leading international producer of float glass by employing advanced technology and innovative techniques.

Proximity to low cost Raw Material including Silica Sand, Dolomite, Soda Ash in Gujarat and Lime Stone and Feldspar in Rajasthan, growing market of Western India, the comfort of uninterrupted power supply in Gujarat, ample water from nearby canal and excellent infrastructure of Gujarat state were cited as main factors for choice of this location.

HNGF commissioned the first line with a capacity of 600 tonnes per day (TPD) in February, 2010, using state of the art in the world technology. Capital expenditures (CAPEX) of INR 5.5 bn, against the industry benchmark of INR 8 bn was achieved by extremely effective project management and high level of team work. This was followed by INR 500 mn into some strategic expansion in the last 3 years. For value added products like Mirror, Lacquered glass etc. HNGF has accomplished 100% capacity utilization in the very first year of operations. The Company strengthened its viability through timely cost-



Quality Control

effective installation: commissioning within 22 months against the industry benchmark of 36 months. Foresight and vision of company's management and a detailed Market Analysis followed by various R & D on value added product brought the company into successful market domain.

This has emerged as one of the best energy efficient plant - HNGFL reported revenues of ~**INR 231 mn** in 59 days of production FY 09-10. HNGF has been accorded ISO 9001, ISO 14001, OHSAS 18001 within the very first year of its operation.

The plant achieved the best industry productivity norms during FY11 in a short span. The company captured 27% market share in 6 months with a wide distribution network of 928 dealers spread across India. Now HNGF is the Market Leader in the Western India with 27% market share in clear glass .-

Initially, the debt: equity ratio was 1.3:1 with 88% stock holding by the parent company and 12% by IFC (Washington, USA). Recently, as reported in last issue of Kanch a Turkish Co. (Trakya) acquired some stake in HNG Float that will change the holding pattern as 45% HNG, 45% Trakya and 10% IFC. This dilution of equity was based on a stronger footing of technological and commercial cooperation between the two companies with different markets

As per Mr. Jain, the market perceptions on both technological strategy and quality products were paying rich dividends in terms of sales turnover. The turnover was Rs. 2.88 bn in the first year (2010-11) itself. It can be safely said that the strategy of HNG Float is working well with a corresponding high rate of growth. In next 5 years, expected gross sales are likely to increase to about Rs. 30 bn by



(L-R) Paramjeet Singh Taggar - West Zonal Head, Srinivas Sapher - North & East Zonal Head, K C Jain- President & K A S Menon - VP Sales & Marketing

2018. With an impressive line-up of an array of ongoing and future diversification projects, this goal may appear to be ambitious but it looks like an achievable objective.

On the front of production volume, from the present level of 600 tons per day (TPD), an additional line of operation with 1000 TPD might hit the above mark. Mr. Jain was very optimistic that the company will hit this target in about 2.5 to 3 years. Then, of course, there might be a lean patch in the business which is quite normal life cycle of every business but the management is confident on capability improvement to sustain.

On the diversification spree, HNGF commissioned a 400 M²/Hr Copper & Lead Free Silver Mirror Line in December, 2012. The Growth in the Mirror demand is about 8-10% Compound Annual Growth Rate (CAGR). Various products from mirror line will add INR 500 mn to the top line. HNG Float adopted an impressive strategy, spearheaded by Mr. Jain and his team to plunge into the relatively larger market of "mirrors" with present production touching about 500 tonnes per month (TPM). Then, a more brilliant step was taken on "Lacquered" glass with a current production of 50-100 TPM. That's all about the "portfolio of

products” and some more to be added soon that are presently at the drawing boards.

Mr. Jain stated that at the present level of ‘all India’ production of 4000 TPD, the growth rate of “float” glass will hover around 12-15% per annum.

On the “quality” front, HNG Float follows all norms of the day, whether it is systems standard like QMS, EMS OHSAS or product standard CE Marking that is in vogue in Europe. All HNGF products conform to the prevailing international specification, such as EN-572/2 for Float EN1036 for mirror. Mr. Jain stated that company is particular about respecting the quality norms. Apart from “quality circles”, “quality improvement programmes”, etc. Mr. Jain was so open about this quality issue that he gladly accepted the proposal for a future TTC (Take The Challenge) programme. Thus, it transpired that the single most important USP is company’s utter seriousness on this quality movement.

HNGF believes in “First Time Right” and therefore, the ‘Manufacturing Excellence Drive’ was incorporated in all parts of Operation from the very 1st year with Full Time Consultancy of PWC. During 2014-15, HNGF plan for DEMING Award. HNGF has another remarkable achievement in the form of 1st Prize Winner of National Energy

Conservation Award - 2011 which is unarguably the pioneering achievement in the Glass Segment. HNGF has a plan of incorporating ISO 50000 the Energy Standard in its system by 2014 which will be another leading initiative not only across the competitions but also the whole Glass Business in India.

On the export front, the situation appears quite interesting, although Mr. Jain was quick to add that many float glass plants in Europe and China have shut down in recent years, but some new plants have sprung up in the horizon, particularly in Middle East countries. A new plant has just come up in the Northern Iran with 1000 TPD with the hope of meeting domestic demand. Nevertheless, this new saga helps in restructuring or even reorienting the export market share. From the present volume of export of 500 TPM, the company has taken an ambitious step towards achieving 2000 TPM within 3-4 months. The countries presently covered are: Australia, New Zealand, Sri Lanka, Nigeria, South Africa, etc., and also a small part of Europe despite stiff competition.

To increase the overall market share, Company’s strategy is to meticulously implement the ‘diversification’ plan, particularly on the value-added products like ‘lacquered’ plates and tiles



A inside view of the Plant



Mukul Somany
Vice Chairman & Managing Director

Area Sales Managers Meet

with some exotic colour combinations. For opening this costlier segment of the market further, some new usages have to be found in the existing market of 'interior decoration' for the corporate and hotel reception areas, new style of kitchen walls, drawing and dining rooms even in smaller apartments, and obviously for various newer applications in the high rises have to be vigorously pursued. At the same time, another profitable item like mirrors, the production is slated to increase as they fetch a price nearly double that of normal float glass. Last but not the least, the production of "frosted" and also "designer frosted" glasses has to be accelerated from the present level of 300-350 TPM, as the latter is gaining popularity in some of those newer application arena in the overall building market. This is clearly linked to the evolution of the "change in taste" of the present younger generation in India.

On employee's front, total number of employees will go up from the present level of 325 to about 400 with the increase of production in the new line of operation. The training systems of various employees are manifold: a) Manufacturing Excellence Programme (MEP) that started in 2011

with the help of PWC, b) In-House On the Job Programme (IOJP), and c) Multi-tasking Capability Build-up (MCB), etc. There is a continuous monitoring facility with quantitative evaluation on a monthly basis. Also, a "feedback" system is in constant practice. On the question of "employee empowerment", Mr. Jain was very categorical about two policies seriously followed by all the senior team members, namely (a) Freedom vis-à-vis Results and (b) Direct Communication.

In today's corporate world, there is a lot of talk on 'responsive corporate citizen' that is specially coined for social and cultural activities in and around a given corporate entity. As per Mr. Jain, HNG Float is not lagging behind in this front either. HNGF encourage a very good HR and Welfare initiative. They enjoy Annual Sports Day, Plant Visit of Family Members, and Award & Recognition on Operational Achievement as strong Motivational Boost, etc. At Chandrapura, HNGF sponsored Educational and Health promotion among the local villagers. In future, HNGF hopes to start a merit-cum-means scholarship for aspiring youth of this village for higher studies. ■