



Peak performance in its DNA

A global provider of glass packaging solutions, PGP Glass (formerly Piramal Glass) is Asia's largest speciality glass manufacturer. Now under new ownership, the rebranded and revitalised company is accelerating digital transformation to optimise the business and assert its dominance across multiple market sectors. Vice Chairman Vijay Shah speaks exclusively to *Glass Worldwide* (preferred international journal of the All India Glass Manufacturers' Federation) to share his vision for the company and its roadmap to greater growth.



Vijay Shah is Vice Chairman of PGP (formerly Piramal Glass Pvt Ltd).

A lot has changed for Vijay Shah since the last time this publication caught up with him at work (*Glass Worldwide* November/December 2016). As Director of Piramal Glass Ltd, Mr Shah led the glass packaging company until the Piramal Group sold the business

to American investment management company Blackstone at the end of 2020. Acquired for US\$1 billion, the purchase was finalised on 31 March 2021 and Piramal Glass was rebranded as PGP Glass, with Mr Shah appointed Vice Chairman.

The change of ownership affords PGP greater scope to broaden its reach in the premium cosmetics and perfumery (C&P) and specialty spirits markets, particularly in Europe. The company also has plans to expand into new product lines such as food jars and premium water bottles.

Fresh opportunities

Operating from India, Sri Lanka and the USA via four manufacturing facilities and several decoration plants, Piramal makes 1475 tonnes per day of glass globally from 12 furnaces and 65 production lines. The Blackstone takeover has presented multiple new opportunities and will enable the company, as PGP, to generate more business, for example in the C&P sector, where "gaining market share in Europe inorganically will be a priority" says Mr Shah. "We believe, it may be done quickly with support from Blackstone.

"In the long run, the perfume market is expected to grow exponentially in India and PGP will be poised to take advantage of it," adds Mr Shah. "PGP (erstwhile Piramal

Glass) entered the C&P sector in 2005 and became the world leader in the nail polish product category. We aim to gain the similar position in perfumery line of products as well. While doing that we want to add a second engine to our growth journey which is the specialty spirit segment. It is a huge market and PGP will create its mark in that segment as well," he maintains.

In addition to rapid growth of the premium spirit market in India, PGP stands to benefit from heightened environmental awareness and climate concern which is increasing demand for glass packaging in the food and beverage sectors.

Piramal becomes PGP

Rebranding Piramal as PGP Glass seems to have been a decision borne of pragmatism and aesthetic considerations. As a B2B business, "It is the quality and service level that matters the most to the customers," ▶

explains Mr Shah. “PGP is easier to pronounce and will bear the continuity of the business that we have built of the years. Our visual brand identity and logo will be distinct, elegant, dynamic and embody our ambition going forward.”

In retaining Piramal's near 4,000 staff during the transition, PGP benefits from a “leadership team [that] is the most experienced among all the company's competitors,” according to Mr Shah, who does not expect any major changes to the structure of the company under Blackstone ownership. Nor is he likely to abandon his colleagues on the executive management team: “Glass is my passion and I will continue to pursue it,” he vows.

“This business is a game of craftsmanship,” he continues. “We compete with European players who have been in this business for more than 100 years. Unlike entrepreneurs, private equity looks for quicker value creation through various means.”

Assisting the Piramal team in a Non-Executive Director capacity is Uwe Roehrhoff, former CEO of Dusseldorf-based packaging company Gerresheimer Glass. “Uwe has excellent knowledge about the European market,” notes Mr Shah. “His association will help us in achieving our goal of growing rapidly in the perfumery segment in Europe.”

Responding to the pandemic

PGP has felt the effects of the pandemic on two fronts: its impact on the health of employees and their families, and the decline of the C&P market worldwide. “International trade imbalance has disturbed global supply chain adversely,” reports Mr Shah. In addition, sea freight rates have gone up and PCR glass “seems to have [experienced a] challenge as well,” he notes.

Responding to the escalating health crisis and reduced C&P business, Piramal/PGP diverted its capacity to other segments. “We grew significantly in pharma, food and beverage segments during the pandemic,” says Mr Shah. The company is committed to ensuring the health and safety of all employees in the current pandemic environment and in the future.

In anticipation of demand for a Covid-19 vaccine supply, PGP started to increase production of its type 1/moulded vials last year and is hopeful of filling a gap in the market. “We [specialise] in moulded glass whereas for vaccination, tubular glass vials are preferred by manufacturers,” explains Mr Shah. “So far it looks that moulded segment has missed the opportunities.” However, he is optimistic that moulded vials will be used for vaccinations “in the near future” due to severe shortages of tubular vials.

Business development

Last summer Piramal commissioned HORN Glass Industries to redesign a melting furnace for the production of premium cosmetics and perfumery bottles at its Kosamba plant in India. The brownfield expansion increased capacity from 395 to 440 tons per day. Investments/modernisation in production doubled decoration capacity at the factory three years back and the option for metallisation has now been added. The Kosamba factory also benefits from an added capability to manufacture heavy-bottom bottles, and a focus on the C&P sector is in the pipeline for new product development. Future plans for the plant include “investing in people” with more staff training, while investment in digital and analytics continues.

Piramal's container glass plant in Jambusar, India, is currently undergoing a \$42 million greenfield expansion upgrade that will generate an extra 250 tons per day.



Glass manufacturing line at the Kosamba plant.

Scheduled for completion “ASAP” according to Mr Shah, the project includes an additional furnace and seven new production lines to capture growth in the domestic specialty spirit sector. The investment will also create approximately 700 additional jobs. Commercial production will begin in August, with a brownfield expansion planned for the next financial year that will see one furnace relined to increase capacity from 115 to 170 tons per day.

PGP is also committed to investment/modernisation at its factory in Horana, Sri Lanka, where it produces Type III flint and amber glass bottles for the pharmaceutical, C&P and specialty food and beverage industry sectors. Following CEO Sanjay Tiwari's move to Piramal USA in 2019, former Vice President (Marketing) of Piramal Glass Pvt Ltd India Sanjay Jain was appointed Chief Operating Officer of the Ceylon firm.

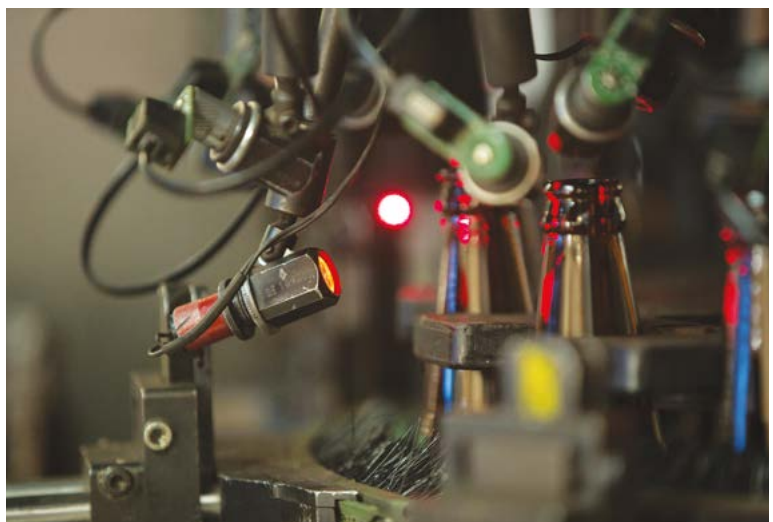
Over at the USA facility in

Missouri, USA, PGP will continue to grow its offering for the specialty spirit market.

Introducing green energy initiatives is another ongoing investment opportunity for PGP. “Wherever we get the opportunity, we invest in roof top solar [energy],” says Mr Shah. “We have an in-house commodity desk which focuses on alternate sources of energy. We have deployed Advanced Analytics models to optimise energy consumption by minimising absolute consumption [to a suitable level] and also by mixing energy sources [where appropriate].”

Digital journey

Vijay Shah has pioneered the use of digital technology in glass making. His strategic vision champions Smart Manufacturing, Connected Supply Chain, and Smart Customer Experience and Workplace Solutions to create a seamless, transparent and efficient end-to-end business ▶



Laser precision machine for glass bottles at PGP's Kosamba plant.



PGP Glass employs technology from globally renowned partners.



Furnace at Jambusar plant.

operation. In October 2020 Sudip Mazumder was appointed Vice President, Global Chief Digital & Information Officer to help catalyse Piramal's digital transformation journey.

To this end, the company has incorporated the Industrial Internet of Things and Big-Data platforms into its operational procedures and manufacturing, and partnered with Microsoft to implement Real-Time Manufacturing Insights – a real-time process tracking system to gain live visibility into operations. PGP can track ocean and land-based inbound and outbound shipments, both at material as well as container level. It has also implemented a Unified Energy Management System to assist its commitment to green and sustainability goals.

In pursuit of its goal to reach peak operational efficiency and the highest level customer experience, Piramal recently collaborated with management consultants McKinsey & Company. "McKinsey helped us in nurturing Digital & Analytics (DnA) culture in the organisation," explains Mr Shah. "We have created an inhouse team of Data Scientists, Data Engineers and Translators who will take forward the DnA initiatives within the organisation. We have developed Citizen Data Scientists – possibly [the] first in the industry segment that we operate in."

This year Piramal/PGP tested blockchain technology [a digital database used to securely record transactions across many computers – a 'block' of records cannot be altered retroactively without the alteration of all subsequent blocks] from fintech firm #dltedgers, based in Singapore as a means of increasing transparency between stakeholders whilst protecting intellectual property and sensitive

data. PGP plans to use the technology to reduce manual processes and streamline supply chain processes across its global manufacturing operations.

Supplier relations

Having employed technology from globally renowned partners such as Tiama, Bucher Emhart, HORN, Interglass, Lubitech, Refmon, VP Instruments, Sheppee, Koenig & Bauer Kammann, SORG, Bottero, Vertech, Furnotherm, Shamvik and Dukhiram, Piramal has longstanding experience in selecting suppliers that best support its investments. "The main criterion for selection of vendor is their cost competitiveness over life cycle of the equipment," explains Mr Shah. "For imported equipment, service and support is a major selection criterion [along with] response time." Reliability and adherence to implied specifications is a further consideration, he adds.

The cornerstone of PGP/ Piramal's partnership with its extended supply chain partners is formed by a triumvirate of trust, aligned values and growth strategies, and transparency.

"Trust has been the foundation for our overall vendor management," expounds Mr Shah. "For example, a long standing, more than decade-old relationship with our major mineral suppliers has helped us to perform extremely well, even during the strictest of lockdowns.

"We ensure that we select vendors who have the required hunger to grow with us and are willing to try out new innovative ideas for value addition," he continues. Using P2P and SRM tool Ivalua has also helped the glassmaker to build stronger and clearer communications channel with suppliers.

AIGMF involvement and recognition

"PGP Glass has been a very active member of the All India Glass Manufacturers Federation (AIGMF)," states Mr Shah. "We have taken the forefront in many important cases affecting the overall glass industry like the sustainability efforts around cullet usage, natural gas and renewable usage and life cycle analysis studies. Further, important issues like fighting the anti-dumping on soda ash, representing to the ministry the issues around pollution and import licenses pertaining to glass cullet. AIGMF has been on the forefront of identifying necessary technologies in glass manufacturing and brings together experts of the industry and technology fraternity to speak and share ideas.

"AIGMF cooperation with *Glass Worldwide* (preferred international journal of AIGMF in cooperation with KANCH) is very useful because it enriches the content of KANCH," Mr Shah continues. "We subscribe to several copies of *Glass Worldwide* because it's the global industry's most useful magazine. Our senior people go through every issue because it is very educative and informative on all the industry's latest developments. The articles are very good and the industry learns a lot."

At the inaugural AIGMF Awards to celebrate achievement in the Indian glass industry, Piramal won the Balkrishna Gupta Award for Exports in recognition of its contribution to the identification/growth of glass exports during 2017–2018. The award was presented by Pradeep Gupta, Former President of the AIGMF, in honour of his father Balkrishna Gupta who founded of the Advance Group of Glass Industries in Firozabad and served as President of the AIGMF and the Uttar Pradesh Glass Manufacturers' Syndicate. Piramal was "humbled and happy to be recognised" for the prestigious award, reflects Mr Shah. "It has taken many years of hard work to achieve the high standards of quality required to cater to the exports markets and we continue to do so and hope to win this award again," he confides. Having set a target of penetrating the European market for specialty liquor sector in the next five years, along with a pressing ambition to equal its success with nail polish and become the dominant player in perfumery, it seems more than likely that PGP will be honoured again in the near future. ●

Further information:

PGP Glass (formerly Piramal Glass Pvt Ltd.),
Mumbai, India
tel: +91 22 3046 6969
web: www.piramalglass.com