

# New furnace brings speciality glass opportunities

Investment in a 154tpd clear glass furnace and five production lines at AGI glaspac's Bhongir manufacturing facility will enable the company to export to countries such as the USA, Australia and to Europe, as well as India.

*Glass Worldwide*, preferred international journal of the All India Manufacturers' Federation (AIGMF), spoke exclusively to Rajesh Khosla, AGI's President & CEO about the company's entry into the speciality glass sector.



Rajesh Khosla, President & CEO of AGI glaspac.

AGI glaspac's recent INR 400 crore (\$52.2 million) investment at its Bhongir facility will provide substantial opportunities for the Indian glass manufacturer. Not only will it expand the company's capacity to produce speciality clear glass but it will also enhance its opportunities to produce glass for export, according to the company's President and CEO Rajesh Khosla.

"AGI glaspac's entry in the new segment of manufacturing speciality glass is a strategic decision. It will allow us to cater to the much-expected rise in the global demand after the pandemic subsidies," he explained.

The facility has been set up in line with the company's 'Make in India' and 'Aatmanirbhar Bharat' (self-reliant India) vision. It will help reduce dependency on imports, as well as promote sustainability by encouraging various industries to opt for glass products over plastic. The company foresees top line growth of not less than 15–18% by 2022–23.

## Furnace

AGI glaspac's Bhongir facility operates alongside the company's 600tpd<sup>1</sup> glass plant in Hyderabad. The



The new set-up means the Bhongir plant can produce 154tpd of premium flint and other different colours.

company has served its clients in the liquor, wine, food, chemicals and pharma industries worldwide with commercial and Type-1 glass for more than 40 years.

The Bhongir furnace has a capacity of 154tpd, or the equivalent of 2 million (20 lakh) containers and bottles per day. From its five manufacturing lines spread across 15 acres, the facility will make high end glass bottles, vials and containers to cater to the requirements of sectors such as cosmetics and perfumery, pharmaceuticals, premium spirits, food and beverages as well as water bottles and candle jars. Construction of the unit has meant the company can not only focus on the domestic market, but also export to countries such as the USA, Australia and to Europe.

## Pandemic

Like the rest of the world, AGI glaspac had to grapple with the problems caused by Covid-19, particularly as

the impact of the pandemic coincided with the construction of the Bhongir facility. Mr Khosla says the impact of the pandemic caused many businesses to struggle with new ways of life and to grasp what it would mean for their operations. It was an issue particularly pertinent to construction projects and capital expenditure programmes due to their many components.

"There were delays, loss of efficiencies and cost impacts because of Covid-19 and related regulatory responses, and there was little to no precedent to help companies understand what the potential future impacts of Covid-19 on the capital project and construction



AGI glaspac has been designing and manufacturing glass bottles and jars for over 49 years.





Approximately INR16 billion has been invested by AGI into its facilities in Telangana.

programmes may be, or when restrictions may end,” he explains. “Even if project planning, design, and management did not stop altogether, work was likely to be more costly and to take more time.”

The support of the local Telangana state government was instrumental in the success of the project. It not only provided state relief, but was also one of the first states to allow industries to continue their production from May 2020 onwards, even while restrictions continued elsewhere in the country.

Currently AGI has invested approximately INR16 billion (US \$208.8 million) in its facilities in Telangana and is keen to invest further, driven by the ecosystem enabled by the state government. One disappointing impact of the pandemic was that the company has had to put its plans for a 700 crore (\$91.3 million) expansion in the east of India on hold.

### Bhongir facility

According to AGI, the commissioning of its new furnace has seen the Bhongir campus emerge as one of the largest, single location glass facilities in

the world. The glassworks will now have a combined capacity to process 1,154 metric tonnes of glass per day and produce about 7 million (70 lakh) bottles and containers per day.

“We are looking at the new facility adding revenues of Rs 250–300 crore (\$32.6million) and targeting capturing a 10–15% share of the speciality glass segment in India,” says Mr Khosla.

### Growth opportunities

AGI is confident that its flint glass furnace will open opportunities and enable the company to reach new customers in a post-pandemic business environment. The pandemic has resulted in geopolitical disengagement with certain countries and will leave the glass industry with a huge void and a shortfall of suppliers or importers in the future, predicts Mr Khosla.

“We believe that it is a huge opportunity for Indian manufacturers and start-ups from various industries to increase exports and reduce imports,” he expounds. “It is a golden opportunity to raise the bar in the



AGI glaspac's glass plant in Hyderabad has a capacity of 600tpd.

international markets for ‘Made-in-India’ products.”

AGI already has plans to invest in both greenfield and brownfield expansion in future years.

Another potential growth opportunity is via acquisition of other Indian glassmakers. Mr Khosla does not rule out any such acquisitions, providing they give value to AGI's customers.

“Definitely, it makes a lot of synergy for [our] existing glassmaking business because it gives us an ample opportunity to grow but at the same time we are also evaluating various other opportunities, so that we can further enhance the sales.”

### Skilled workforce

The entry into the speciality glass segment means the company will engage more than 4,600 people, including direct and indirect employees. The total strength of the team is 14,700, which should grow to 19,300 by the end 2022.

It is testament to the perseverance of AGI glaspac staff that, despite the challenges posed by the pandemic during the construction period, the furnace was fired on time, on 24 January.

“Developing and sustaining a skilled technical workforce is a high-priority goal for AGI,” states Mr Khosla. “We are making substantial investments in achieving a broad range of education and training goals.”

In a talent-based economy the workforce itself is arguably the most important tangible asset of most organisations, he states. Yet despite its importance, it is often not carefully planned, measured, or optimised, which creates challenges in terms of a gap between intent and execution. Consistent objectives regarding the outputs of workforce planning, and a consistent process of conducting workforce planning and predictive modelling can bridge this



Rajesh Khosla believes adopting the latest technology from renowned suppliers is critical to the company's success.



AGI exports to the US, Australia and a few markets in Europe.





With Hyderabad and Bhongir facilities combined, AGI melts 1600 tonnes of glass per day.

gap, states Mr Khosla. Such is the company's commitment to its staff, it has modified its workforce development practices to include options that potentially accommodate the diverse needs of its employees.

### Supplier support

While communications with staff are a key component of the company, relationships with technology suppliers are also essential to the success of the company. In the past AGI has partnered with companies including Agr International, Bucher Emhart Glass, Dukhram, EMS Group (Zecchetti), Furnotherm, Heye International, HORN Glass Industries, IRIS Inspection machines, Lubitech, Pennekamp, Shamvik, Sheppee International, Soncam, SORG, Strutz International and ZIPPE.

Mr Khosla is quick to recognise the contribution these companies have made to AGI glaspac's growth.

"Suppliers are critical to the success of any company. They drive new growth within your industry and ensure you are able to achieve revenue and profit goals. They are at the heart of any organisation's processes and activities.

"However, you might not consider how important it is to



Developing and sustaining a skilled technical workforce is a high-priority goal for AGI.



AGI manufactures high-quality glass containers for sectors including food, pharmaceuticals, soft drinks, spirits, beer and wine.

effectively manage your relationships with them," he stresses. "In the past, procurement was simply the department that bought goods and services. Nothing more, nothing less.

"But now, procurement should be considered a part of your overall business strategy. To get the best value for your money, you should be taking a strategic approach to efficiently manage your suppliers. Doing so will have myriad beneficial effects."

During these unprecedented times, the AIGMF was pivotal in keeping its members updated about the latest market dynamics, notes Mr Khosla. "The best part was peer learning that we get through the platform, which enabled [...] better decision making."

As the world emerges from the pandemic and restrictions begin to ease, Mr Khosla is looking forward to meeting equipment suppliers and other members of the glass industry again at glasspex INDIA and the parallel 13th International Conference of the AIGMF in Mumbai in September next year. ●



AGI glaspac has a stringent eco-friendly policy in place as well as a policy to always maintain ethical and transparent business practices.

### Further information:

AGI glaspac, Hyderabad, India  
web: [www.agi-glaspac.com](http://www.agi-glaspac.com)

1 Source: AGI glaspac website



Rajesh Khosla is confident that glasspex INDIA 2023 and the parallel 13th International Conference of the AIGMF will be a grand success. As preferred partners, AIGMF and Glass Worldwide share an exhibition area.