

## Marketing Trends

An Evaluation of India Float Glass Industry-Trade During The Financial Year, 2009-10

### Huge Jump In Domestic Demand For Float Glass : Sales Reached At 3135 Tonnes / Day With Unbelievable 36% Increase : All Previous Records Broken

#### (An Objective Report)

The negative trend in sales growth rate that was witnessed during the second-half of the last financial year 2008-09 was reversed during the first quarter of the current financial year 2009-10 (i.e. during April-June, 2009) with sales recording a positive growth rate of 10 percent. The second quarters of the current financial year 2009-10 (i.e. July-September & October-December, 2009) have been extraordinarily good with float glass sales registering a marked growth rate of as much as 35 percent. The average material (float/reflective/mirror) sold by Indian float glass manufacturers during the both quarters was as high as 2700.00 tonnes per day on an average. During the forth quarter (January-March, 2010) of financial year- 2009-10 the sales of float glass reached at the highest ever level of 3135 tonnes per day on an average, while this sales figure during the whole previous financial year, 2008-09 was merely 2000 tonnes per day an average. Thus during the financial year, 2009-10 the sales of float glass in the domestic glass market was very much excess as per the expectations. This is an encouraging scenario for the float glass industry particularly in view of the fact that there are conditions of recession in the global economy.

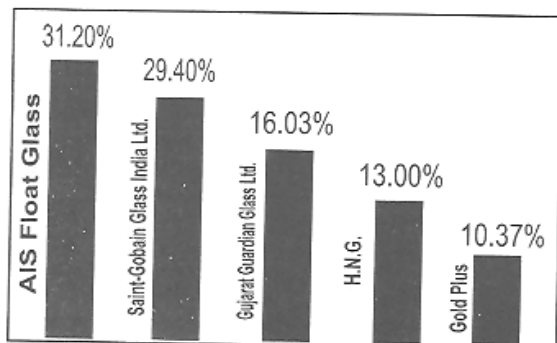
As our esteemed readers are well aware, the domestic float glass industry-trade has been registering a consistent 12-15 percent per annum increase in sales turnover for the last 9 years. However, things started detracting from the third quarter of the financial year 2008-09 (October-December, 2008) and by the fourth quarter (January-March, 2009) the growth rate had turned negative. In this period, the sales turnover declined by 8.38 percent. During the earlier financial year 2007-08 all the three float glass

manufacturing companies of the country- Saint-Gobain Glass India Ltd., Asahi India Glass Ltd. and Gujarat Guardian Ltd. recorded a joint sales of 2043 tonnes per day on an average. This fell by 2.15 percent in the financial year 2008-09 to the level of 2000 tonnes per day on an average (taking the average for the entire financial year 2008-09). However, during the last quarter of the financial year 2008-09, the sales further fell to 1885 tonnes per day on an average- a sharp fall of 8.38 percent. However, there has been a bounce back in the first quarter of the financial year 2009-10 with sales jumping up to 2200 tonnes per day on an average and in second & third quarter (July-September & Oct.-Dec.10) of the financial year, 2009-10 this sales figure reached upto 2700 tonnes and during the forth quarter (Jan.-march) it further reached the highest level of 3135 tonnes on an average per day by showing a huge jump of 36%. Details are presented in the table below :

#### Domestic Float Glass Sales

Year	MT/Day	%Growth
2000-01	886.00	2.66
2001-02	980.00	10.60
2002-03	1106.00	12.85
2003-04	1310.00	18.44
2004-05	1427.00	8.93
2005-06	1402.00	14.22
2006-07	1695.89	20.89
2007-08	2043.00	20.46
2008-09	2000.00	(-2.15)
2008-09 (Jan. March)	1885.00	(-8.38)
2009-10 (April-June)	2200.00	10.00
2009-10 (July-Sep.)	2700.00	35.00
2009-10 (Oct.-Dec.)	2700.00	35.00
2009-10(Jan.-March)	3135.00	36.00

### Company-wise Market Share



The market share of the four float glass manufacturing companies during the fourth quarter of the financial year 2009-10 tonnes per day sales of float glass are as follows : Saint-Gobain Glass India Ltd. 29.40 percent (922 tonnes per day on an average), Ashai India Glass Ltd. 31.20 percent (997 tonnes per day on an average), Gujarat Guardian Ltd. 16.03 percent (510.00 tonnes per day on an average) Gold Plus Float Glass Industry Ltd. 10.37 percent (325.00 tonnes per day on an average). Newly established HNG

Float Glass Ltd. Sold 400 tonnes material as an average per day with a market share of 13.37%. As far as exports are concerned, Saint-Gobain Glass India Ltd. and Asahi India Glass Ltd. exported jointly on an average, 400 tonnes per day of float glass during the fourth quarter of the financial year 2009-10 whereas Gujarat Guardian Ltd. And other companies did export negligible as their production capacities (550 limited) is much less than the production capacity of Saint-Gobain Glass India Ltd. and Asahi India Glass Ltd.

### Demand Break Up of Product Mix During the year 2009-10

Clear Float / Sheet Glass	50%
Tinted Float / Sheet Glass	15%
Reflective Glass	15%
Mirror	8%
Imported Float / Sheet	12%

### Manufacturing Capacity of Float Glass during -2009-10

Manufacturers	Installed Capacity (in tonnes per day)	Capacity Utilization (in %)
1- Gujarat Guardian Ltd.	550	95
2- Asahi India Glass Ltd. (Two Plants-500+700)	1200	80
3- Saint-Gobain Glass India Ltd. (Two Plants-600+800)	1400	80
4- Gold Plus Float Glass Industry Ltd.	460	85
5- Sejal Architectural Glass Ltd.	550	60
6- H.N. G. Float Glass Ltd.	600	75
Total Capacity		4760

production by both companies commenced during the fourth quarter (Jan.-March-10)

### Demand For Float/Sheet Glass in India During 2009-10 (An average per day in tonnes)

1. Indigenous Float Glass	3135
2. Imported Float Glass	400
3. Indigenous Sheet Glass	180
4. Imported Sheet Glass	30
Total	3745

**HNG Float Glass Ltd.**

## **Despite Surplus in Supply, On The Strength of excellent quality, HNG Achieved A Recordable Sale of Float Glass 400 TPD**

Despite surplus in supply, on the strength of excellent quality, 600 tonnes per day capacity HNG Float Glass Ltd., set a unique record of an average 400 tonnes per day material sales, in the domestic glass market, in the first phase of world class float glass production, carried by the company from January, 2010. 500 tonnes an average per day 3 to 12 mm clear float glass was drawn and out of this about 75-80% glass was sold by the company in the first phase (Jan.-March, 2010) in the domestic glass market and the following record has not been attained by any manufacturer working in the country till now. This is the first occasion, in the last 17 years of business tenure of Indian float glass industry that a float glass manufacturing company has sold off 75% of the material, manufactured by itself, in the initial first phase of production. It is treated as a great business achievement of the company in the Indian glass market. Apart from this, HNG Float Glass Ltd. is country's only such company which completed the installation work of its prestigious float glass project in

a recordable time of 22 months and fired its furnace on 30 Nov., 2009.

It may be recalled that the completion of nay float glass project takes normally 24 to 30 months time but this float glass project of HNG completed before the time period. Apart from this, till now, from all float glass plants operating in the country, glass of 2 to 12 mm thickness is manufactured, whereas, from HNG Float Glass line, glass of 1.8 mm to 19mm thickness is possible. Also, extra clear glass will be manufactured from this float glass line. Till now, many float glass companies, operating in the country, claimed of producing automotive quality glass of 2 mm thickness but could not prove it. As a result, till now, an average of 150 tonnes per day, 2mm automotive quality float glass is imported from foreign countries for the manufacturing of automotive windshield. Reliable sources of newly established HNG Float Glass Ltd. firmly claim, that as an import alternative, the production of automotive quality glass, of 1.8 to 2 mm, will be possible from their float glass line, as for this purpose, the promoters have spend an extra

sum of 500 million rupees on the plant. According to the glass technologists, glass of 2 mm thickness for photo framing, silivering and other various purposes are produced from all float glass lines but automotive glass of 1.8 to 2 mm thickness is a special quality glass and to manufacture such type thin glass of this quality, an extra sum of 500 million rupees is spend on furnace designing etc. Product series manufactured by, HNG Float Glass Ltd., is as follows :

- ✘ Automotive quality float glass
- ✘ Clear float glass of 1.8 to 19 mm thickness.
- ✘ Grey, bronze, green and blue tinted float glass.
- ✘ Heat reflective glass (soft coated and hard coated).
- ✘ Low-E Glass.
- ✘ Low iron solar glass.
- ✘ Ultra clear glass.

**The result of use of hi-tech plant machinery, excellent raw material : excellent product :**

For the manufacturing of any excellent quality product, along with hi-tech plant machinery, the use of high grade raw

material is also required indispensably. Excellent quality of float glass, manufactured by HNG Float Glass Ltd., is a result of all these reasons.

The technical know-how collaborator of the company in this venture is the leading technical company of the world-Toledo Engineering company of USA which has a long and distinguished experience in the designing, engineering and implementing float glass lines. We may point out for the information of our esteemed reader that Toledo Engineering Company enjoys the distinction of successfully completing and launching more than 54 float glass lines all over the world (of which the float glass lines of cardinal, U.S.A. and guardian Industries worldwide are the most prominent). The main equipments used in the furnace of the above mentioned prestigious float glass line of HNG have been imported from the world's No. 1 manufacturers of Europe and USA and the refractors used in the furnace have also been imported from Europe and USA. Not a single brick of the above refractories is from China and India. The annealing copper of the plant has been imported from CNUD, Belgium and cold ending glass cutting and packing is from Battero, Italy. All this shows that the company management has made no compromises of any

20

kind whatsoever as far as the quality of the equipment used in the float glass line is concerned. Moreover, the company management has also sought and obtained the necessary guarantee regarding the quality of the equipment and efficient energy used from the technical collaborator company Toledo Engineering. The float glass plant of HNG has been guaranteed to be the most energy-efficient plant in India (in comparison with the already operating float glass plants in the country).

In the manufacturing of excellent quality float glass, apart from world class hi-tech machinery-plants, high quality grade of raw material (silica sand, soda ash, cullet glass, etc.) also plays an important role. For the manufacturing of its float glass, the company uses high grade silica sand, felspar and soda ash imported from Bulgaria. Also, initially, the company used cullet glass (pieces of glass), specially ordered and manufactured by a glass manufacturing company and did not buy it from the market. It may be recalled that the company could have bought cullet glass from the market at the merely rate of Rs. 4500 per tonnes, but keeping in mind, the manufacturing of its excellent quality float glass, the company ordered for purchasing cullet

glass at Rs. 1200 tonnes from Sumangal Glass Industries Ltd. The quality of cullet glass bought from the market is inferior and normally the manufacturer buys cheap cullet glass from the market in view of economical production cost. The President of HNG Float Glass Ltd., Mr. K.C. Jain stated that to maintain the excellent quality of products, his company did not compromise on at any cost regarding purchase of capital goods like plant machinery and raw material etc. Mr. Jain also stated that with 1500 crore rupees annual sales turnover and 65% market share, HNG is India's leading and respectable company. With product diversification in glass industry itself, HNG entered the manufacturing of float glass. Before entering this industry the company firmly decided that, according to their high level 'business goodwill', the quality of new product (float glass) by their company, should also be as high class as their glass containers. Keeping in mind, the high standard worldwide goodwill of our company, we have manufactured excellent quality float glass and as a result, in the first phase of manufacturing, the Indian glass market has accepted our product wholeheartedly and we have got good response from the market also.

**Glass Yug**

---

## Company Report

---

# HNG successfully organized a retailer's meet in Ahmadabad on the occasion of launch of it's float glass product

Country's biggest container glass manufacturing company, Hindustan National Glass and Industries Ltd (which has 6 plants and 44 production lines working in different locations of the country), with an annual sales turnover of 1500 crore rupees and more than 65% market share, diversifying its products in glass industry, has established an ultra modern 600TPD capacity float glass line at an estimated cost of 550 crore rupees at Halol, Gujarat. Newly HNG Float glass Ltd. Since last two months (Feb-Mar'2010), production of 3 to 12 mm thickness clear float glass of

world class quality is being manufactured successfully from the above line. This prestigious float glass manufacturing company organized a successful retailer's meet on 24 Feb'2010 at Hotel Bhagwati, Ahmadabad. On the occasion of launching its float glass product. 625 dealers of Ahmadabad and nearby places were invited for the launch ceremony of its float glass product.

On the occasion of the product launching ceremony, dealers in large numbers were present who were given grand hospitality, dinner by the



company and were also entertained by bollywood artist's performances. The dealers were very happy by the hospitality given by the





company and were also impressed by the world class quality of the float glass manufactured by the company. Their quick reaction was that 'HNG Float Glass' is the best as compared with the float glass produced by the other companies operating so far in the country. On the above occasion, Mr. K.C.Jain, President of the company, stated in his inaugural speech that world class best technology is has been used in the company's prestigious float glass plant and all the hi-tech machines and refractor its used in the plant are imported from America and Europe. The technical collaborators / suppliers of this plant are world's well-established, well-known and best companies (Teco, USA, Botero, Italy,

Byostronic, Switzerland, ISRA, Germany, IFFCO, Germany etc). Mr. Jain also stated that apart from hi-technique used in this plant, raw material of high quality is also used in the manufacturing of float glass by the company so that the end user glass consumer of float glass receives excellent quality of the product. In almost last six decades, 'HNGIL' has earned the tag of being 'leader' and 'professional business goodwill' in Indian container glass market, and the company is making an attempt to maintain the same excellent image in the domestic float glass market. Mr. Jain concluded his speech by thanking everybody present on the launch occasion of float glass product. He further stated that he was obliged that dealers were impressed by the excellent

quality of product and that it was an encouragement for his company. Mr. Jain delivered his speech in local language (Gujarati) by which the dealers were impressed and much happy. Apart from the president of HNG Float Glass Ltd, Mr. K.C.Jain, company's Area Sales Manager and Zonal Sales head also assured the dealers / regarding the best possible sales policy and rendering the best customer service and also stated that the company has pledged on continuing business on high class business ethics. We will keep in mind, the fact that, no chance for complaints are given to you. We are hopeful of your long term business relationship and unique support and are also thankful for your presence on this occasion. A lucky draw was also organized on this occasion.