

Piramal Glass aims 10% global market share for C&P bottles

BS Reporter / Mumbai/ Kosamba (surat) June 11, 2010, 0:13 IST

After being Asia's only and world's third largest specialty bottle exporter, Piramal Glass Limited is now aiming at a 10 per cent share of the \$ 2.4 billion (Rs 10,000 crore) global cosmetics and perfumery (C&P) bottle market. The Rs 1,103 crore company currently manufactures close to 1,115 tonnes per day of specialty bottles in segments like C&P, pharmaceuticals and other specialties at its plants in Kosamba and Jambusar in India as well as in Sri Lanka.

"About 10 years back we began manufacturing nail polish bottles. Today, every third nail polish bottle is manufactured at our Kosamba plant. However, our focus is moving towards high end C&P bottles. While currently we hold a 5 per cent market share in C&P bottles, we are aiming at a 10 per cent market share in the next couple of years," said Vijay Shah, managing director of Piramal Glass Limited. The company, which used to export to Middle East countries, is now focusing more on catering to the premium bottle markets in Europe and the US. For this, Piramal Glass Limited also acquired a loss making company in the US for Rs 350 crore last year.

Talking further about the focus on C&P bottles segment, Shah said, "Currently, about 43 per cent of our revenue comes from C&P, while 31 per cent and 26 per cent come from pharma and other specialty bottles, respectively. However, in next two years, C&P will contribute over 50 per cent to the total revenue."

To augment its increased focus on C&P bottles segment, the company is also investing around Rs 150 crore for brownfield expansion of its bottle manufacturing capacity at its plants in India. Post expansion, Piramal Glass Limited is expecting a growth of 10-12 per cent for the financial year 2010-11, thereby pegging a turnover of over Rs 1,200 crore.

The company is also pursuing Six Sigma journey of business excellence wherein it has cleared three out of four levels. According to Shah, only dozen other companies in the country have cleared three levels.

While the company was registering net losses for past two years, for the financial year 2009-10 Piramal Glass ended up earning net profit of Rs 4.4 crore.