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Joint Venture partnership established in HNG Float Glass Limited (HNGFL) between the existing Promoters (HNGIL and Somany Family) and Trakya Cam Sanayii AS of Turkey

HNGIL (Hindusthan National Glass & Industries Limited), India's largest glass container manufacturer, a listed entity and other existing promoters of HNGFL (being C K Somany family, together with HNGIL, collectively referred to as HNG Group) have established an equal joint venture partnership with Trakya Cam Sanayii AS for jointly pursuing the float glass business in India, under the aegis of HNG Float Glass Limited (HNGFL).

Trakya Cam Sanayii AS, a Şişecam group company headquartered at Turkey, ranks fourth in Europe and sixth globally in the float glass industry. Trakya had a turnover of around USD 700 million for the FY 2012 and a market-cap of USD 1.1billion as of the end of 2012.

The two sides had signed a joint venture agreement (JVA) on 10th of January 2013 with the intention of jointly pursuing and developing the float glass manufacturing business in India, value added processed float glass including high performance glazing glass and Automotive glass segment. The parties having complied with the relevant conditions precedent under the JVA, the joint venture transaction has now been consummated.

In the closing ceremony, Prof. Dr. Ahmet Kırman, Vice Chairman of the Board and CEO of Şişecam, in his comment stated: "Trakya Cam under its vision of being a fast and sustainable growing global flat glass company, and also seeking opportunities in developing countries offering high growth potential, has now entered the Indian market with this partnership through an investment of c.61 Million USD."

Mr. J. P. Kasera, Sr. President of Hindusthan National Glass & Industries Limited stated that this is like opening up of doors of opportunities for HNGFL in the Float Glass industry in India, as the association of a strong foreign partner (Trakya) adds tremendously to technological capabilities of HNGFL to make inroads into value-added and Automotive glass segment.

As part of the transaction, Trakya has also acquired IFC Washington's 12.36% stake in the Company (HNGFL). Post consummation, Trakya owns 50% stake in HNGFL, and the stake of HNG Group stands reduced from c.88% to 50%. In the process, HNGIL's shareholding in HNGFL has also come down from existing c.47% to c.18%. HNGIL has raised ~Rs. 135 crores through sale of HNGFL shares to Trakya. Trakya has also invested Rs. 150 crores in the form of primary infusion in HNGFL.