

Gold Seal Group spreads its wings

Mumbai-based supplier that makes sealings and radiator hoses and has two JVs sealed its connect with OEMs over half-a-century. Brian de Souza meets two generations of the Aga family.

Cyrus Aga, the chairman of Gold Seal, a Mumbai-based company that makes rubber-based parts for the auto sector, won his spurs in the auto sector by bagging business from Hindustan Motors, manufacturer of the Ambassador, way back in the 1960s. "I flew to Calcutta virtually at the drop of a hat, and showed our products to the company. They could not believe we could make these parts as good as the UK-made ones," he reminisces.

Gold Seal bagged the order and went on to manufacture the first Indian door seal and window channel for the first Indian-made car.

From that small beginning, the company has blossomed into a venture that supplies a range of products of EPDM rubber, PVC, nitrile and TPE extruded sealing profiles and radiator hoses to over 25 OEMs across India from its plants in Mumbai and Daman. These include Volkswagen India, Bajaj Auto, Mahindra & Mahindra and a host of others but the biggest is Ford India, which has been closely associated with Gold Seal since the American OEM made its India debut with the Ikon in 1999. Work is now underway on a new plant in Sanand, Gujarat.



L-R: Pilloo Aga, Group commercial director, with Darius Aga, joint managing director, and Cyrus Aga, Group chairman, at their Mumbai headquarters at Nahur, near Thane.

PRIVANK CHHAPWALE

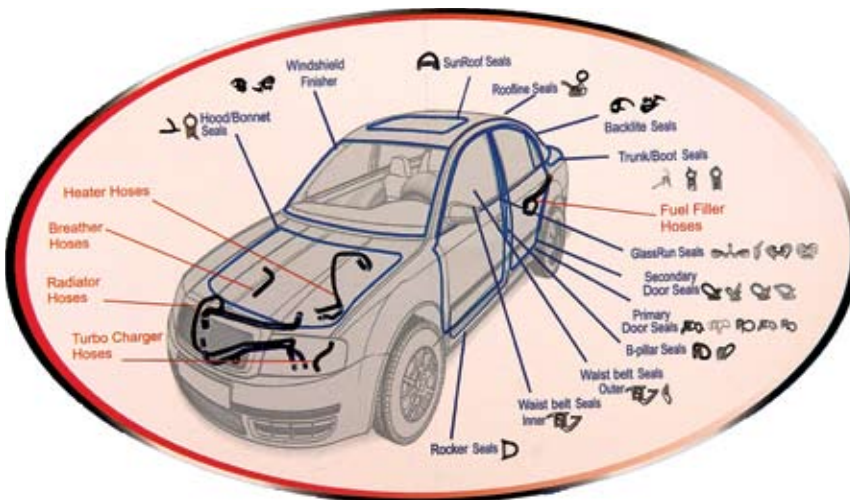
to the products that will roll out from the Sanand plant. Initially, we are setting up two lines for Ford."

Darius' brother, managing director Urvaksh is spearheading the new venture.

Indeed, Gold Seal will spend Rs 59 crore to set up its plant on the Sanand-Viramgam highway, 20km from Ford's plant. It will make sealing systems for the Figo replacement in initially. Gold Seal's plant will be up and ready by end-2014.

For Gold Seal, this marks a major milestone in its journey to be a key supplier. From sealing systems to extruded sealings and radiator hoses, the company has come a long way. In 1997, it inked a 49:50 JV with a German player to set up Gold Seal-SaarGummi India. The plant, located at Daman, makes EPDM weather strips and sealings for local and overseas players. A year later, the company inked a JV with Avon Automotive Inc of the US to make high-quality radiator hoses. (As this issue went to press, we received news that SaarGummi bagged the Volkswagen Group Award 2014. The award was in recognition of innovation capability and excellent supplier performance.)

The JVs have given Gold Seal access to the latest technology for the range of products it makes. In fact, it has always been a constant



EXPANDING PORTFOLIO

Now, Gold Seal which has since expanded to include two joint ventures – Gold Seal SaarGummi and Gold Seal Avon Polymers that make sealing systems, radiator hoses and

Gold Seal manufactures a varied range of products for the automotive sector, largely passenger cars.

extruded plastic sealings – is preparing for its biggest engagement with the American car major. Joint managing director Darius Aga, tells *Autocar Professional*, "We are investing in a plant on the outskirts of Sanand to cater

endeavour to pursue quality at Gold Seal which is why, Cyrus Aga says, it has had longstanding relations with a range of Indian and foreign companies.

THE FORD FACTOR

Bagging Ford's mandate for Gujarat is a high point in a year that saw the auto sector struggle with the impact of the slowdown. However, Gold Seal was able to weather it and actually grow 20 percent. "Between sales to the OE, aftermarket and exports, we balanced out," says Cyrus Aga. The slowdown gave the company the opportunity to focus on the aftermarket which paid off.

On the OE front, Gold Seal kicked off supplies of radiator hoses and sealing systems to the Ford EcoSport which rolls out of the OEM's Chennai plant. With sales of the SUV taking off and Ford India also re-opening bookings for the SUV, Gold Seal is onto a good thing. The product suite comes from the Daman facility. The company is prepared for ramp-ups as and when that happens as Ford attempts to reduce the waiting period for the SUV. For the EcoSport, Gold Seal makes 120,000 car sets a year.

While the new Sanand plant will cater to Ford, Gold Seal's ambitions are to bag more business including from Tata Motors (which is currently revamping the assembly line for a new Nano). Says Darius Aga, "We are starting with two lines and have plans for staged expansions."

The entry of Gold Seal's JV partners was motivated by Ford which insists on top-notch quality for the products it sources. Since both JVs are non-competing, Gold Seal was able to ink two JV within a year of each other.

On other fronts, Gold Seal is looking to get volumes with the Bajaj Auto

quadricycle or the RE60. Gold Seal has designed the sealing systems from the very development stage and its likely launch later this year will be eagerly looked forward to. Other businesses in the pipeline include AMW trucks and Atul Auto.

Gold Seal's other clients include VW India (Chakan), Mahindra & Mahindra (for the Bolero platform, and tractors), Nissan Motor India, Force Motors, GM India and a host of others. Apart from Maruti and Hyundai, which have their own suppliers, Gold Seal claims a substantial part of other auto business.

If one of the lessons from the slowdown was the importance of the aftermarket, the other was the need for diversification. Gold Seal has taken baby steps into some product diversification into canopies for DG sets and electrical systems that lie outside Gold Seal's core automotive space, but need sealing systems. This risk-diversification is a well-thought-out step in a changing industry.

EYEING NEW GROWTH

Like all auto and the larger industrial players, Gold Seal's top management hopes that political stability and a focus on infrastructure that the new government has promised will attract more OEs and investment. And, it is preparing itself for upcoming opportunities.

From its origins as a family-run business, Gold Seal has been able to tap global opportunities as a result of the JVs it signed and slowly but surely brought about fundamental changes in its way of working. This technology has been manifested in its state-of-the-art Daman plant and Mumbai in terms of training, new equipment and a change in mindset,



Chongqing Light Industry & Textile Holding Group (CQLT SaarGummi) has recently bagged a supplier award from Volkswagen AG.



Radiator hoses and sealing systems on the made-in-Chennai Ford EcoSport are Gold Seal products.

FACTFILE

- In 1958, Gold Seal became the first door seal and window channel supplier for the first Indian-made car – the Hindustan Ambassador.
- The company today is a big vendor to Ford India and supplies radiator hoses and sealing systems to the EcoSport SUV. Other clients include VW India (Chakan), Mahindra & Mahindra (Bolero platform, and tractors), Nissan Motor India, Force Motors and GM India.
- Has designed sealing systems for the Bajaj RE60.
- New business in the pipeline includes AMW trucks and Atul Auto.
- Key cost element is imported synthetic rubber.
- New plant in Sanand to be operational by end-2014



Eighty percent of the workforce at Gold Seal's Mumbai plant comprise women, who've been there for over 2 decades.

which is as key as other changes, in Darius' words.

Also, along the line the JVs have changed hands with the Chinese company, CQLT, acquiring the German company's stake. Being part of SaarGummi worldwide network, RFQs come to Gold Seal which translates into global benchmarking on costing, quality and delivery.

Gold Seal Avon Polymers is also owned now by MGI Coutier of France.

For Gold Seal's product suite, the key input is synthetic rubber which is imported. Like all imported parts and materials, this was subject to currency fluctuations over the last fiscal but Gold Seal attempted to handle this by stocking up at the right time and price.

EXPORT BUSINESS

A key part of Gold Seal's products go to the export market to customers from the UK and Africa. Interestingly, Gold Seal's involvement with the Fiat in India has gone overseas with the company using its natural rubber technology. It's a unique phenomenon, perhaps only to India, in which a company has its finger in an older and yet-needed technology as well as state-of-the-art EPDM technology.

On the technology front, today Gold Seal tech ensures compact fit through slip coating, and vario extrusions that enable changes in product dimensions during the

extrusions processes. This technology from SaarGummi has been leveraged for all Gold Seal's clients.

As Gold Seal puts in place its latest plant, the guiding principle is to make it a global benchmark – a centre of competency—for Saargummi plants worldwide, says Darius, who now has his hands full with staffing the facility with a mix of skillsets that cover rubber and engineering technology. So Darius is putting in place a system for knowledge from the Daman facility to the new plant in terms of training and recruitment. Setting up shop in Gujarat has been a great experience with permissions being obtained fast, online and transparently.

Finally, it's a refrain that one hears all the time in the auto sector, that people are your business. Here Gold Seal has walked the talk for many decades now. It can pride itself as an equal opportunity player way back in the 1950s, much before it became a fashion. The company's founder HE Aga mandated equal pay for equal work for men and women way back then. Today, 80 percent of plant staff at the Mumbai facility at Nahur, near Thane, are women. "The first employee still works with us," says Pilloo Aga, Group commercial director, in a concluding statement that all is really well with the company. ■