

Gold Seal-SaarGummi India goes to Sanand

Joint venture company's third plant in India will provide just-in-time deliveries to Ford India's all-new facility nearby. A design and tech centre is also to open shortly, says **Shobha Mathur**.



PHOTOGRAPHY SHOBHA MATHUR

Since December 1997, when Gold Seal-SaarGummi, a joint venture between Gold Seal Engineering Products of Mumbai and SaarGummi of Germany, opened the doors of its first facility in India, it has come a long way. On March 12, the company inaugurated its third greenfield plant in India at Jakhwada near Medabad to provide sealing systems in EPDM, a key customer, Ford India whose all-new manufacturing and engine plant located in the vicinity of Sanand opened on March 26.

Gold Seal-SaarGummi, which supplies sealing systems to the EcoSport SUV at Ford India's Chennai plant, will be supplying trunk tailgate seals and inner door seals for the carmaker's first model to roll out from the Sanand plant – the all-new Figo Aspire – for which trial production has already commenced.

Ford is expected to ramp up production for the new model by the third quarter, which is when the GoldSeal-SaarGummi plant will start humming with brisk activity to match the production at the American carmaker.



Top brass of Gold Seal Engineering and SaarGummi at the traditional plant-opening puja on March 12.



with the third coming up in July this year. With five extruder lines, the output from this plant will total 20,000,000m/year within three years, depending on the market conditions as well as new businesses that are won.

Meanwhile, the JV company in which SaarGummi holds a 51 percent stake has invested around Rs 70 crore in the new facility according to the stakes held by the partners through a combination of shareholder and bank loans. Further investments for expanding capacity are also on the cards.

TECH CENTRE ON THE ANVIL

A mixing unit has been set up at the plant with an installed capacity of 25 tonnes per day. There are also plans to establish a design and technical centre at the new plant within three months. Gold Seal-Saar Gummi, at present, undertakes design and development work in Germany but once the tech centre goes on stream, it will have the expertise to design locally and develop India as a sourcing hub for such activity, adds Aga.

While the company's short-term goal is to bring SaarGummi's existing technology to India, the long-term vision is to harness locally designed technology for other locations starting the centre's operations with six engineers.

Diversification of the product portfolio with the addition of thermoplastic products will commence by early third quarter of 2015. The Ahmedabad plant, spread across 8,500 square metres, houses extrusion and mixing equipment and packs enough space for further expansion. The company is now looking to draw upon the latest SaarGummi technology from China for TP seals for manufacturing at Sanand.

Ford India is a major client for Gold Seal-SaarGummi, which supplies sealing systems to the EcoSport SUV (above). It has begun supplies of trunk tailgate seals and inner door seals for prototypes of the Figo Aspire, a new sub-four-metre compact sedan.



Michael Kearns, director (manufacturing), Sanand Plant, Ford India, with Pilloo C Aga, director, Gold Seal-SaarGummi India.



Michael Lorig, CEO, CQLT SaarGummi Technologies, with Pilloo C Aga, and Darius C Aga, director, GoldSeal-SaarGummi India.

Ford India currently accounts for 34 percent of supplies from Gold Seal-SaarGummi India with Mahindra & Mahindra taking up 20 percent, VW 16 percent, Bajaj Auto (Waluj) 11 percent and other OEMs contributing 2 percent. About 11 percent business comes from AM, Canopy and BB and 3 percent from other 2 suppliers and trucks. "We are providing dynamic seals for the front door, rear door and bonnet of the new-gen Figo and are in discussions with Ford for other models as well. In addition, we are looking at

future businesses with Tata Motors, Suzuki and Honda both in two-wheelers and cars, who are all establishing their manufacturing base in Gujarat," Darius C Aga, director of the company, told *Autocar Professional* in an exclusive interaction at the plant inauguration.

SaarGummi already supplies to Suzuki in other Asian markets and the company's Indian arm is attempting to leverage this association to supply to Suzuki in India too. Discussions for this are currently underway with Maruti Suzuki India and

other OEMs.

Further, talks are also underway with existing customers like Mahindra & Mahindra, General Motors and the Volkswagen Group for bagging new orders to be supplied from the Gujarat plant. Some of the production from the Daman plant for Mahindra and other OEMs will also be shifted to this new facility to optimise production here.

At present, the Ahmedabad plant has kicked off operations with one co-extruder line. The second co-extruder line will be set up in mid-April

WITH THE UPCOMING DESIGN AND TECH CENTRE, THE COMPANY WILL GET A SHOT IN THE ARM TO IMPLEMENT LOCAL DESIGN.



The Gold Seal-SaarGummi India teams at the plant opening.

The plant currently has a workforce of 70; Aga says most of them are ITI diploma holders with about 20-25 percent being women. Fifty percent of the workforce at the Mumbai and Daman plants comprises women and the aim is to maintain the same equation at the new Ahmedabad plant as well.

With the new Gujarat facility on stream, Gold Seal-SaarGummi has an ambitious target of doubling its Group revenue from the existing Rs 100 crore within three years. Aga says the slowdown in the past couple of years did not adversely affect most of its customers, which meant it too was not hugely impacted.

SPEEDY SUPPLIES

Interestingly, Michael Lorig, SaarGummi's CEO, who was present at the inauguration, spoke about the German company's plans for India. "We first plan to fill this plant; then it will depend on the future customer portfolio. Wherever they extend their footprint, we will be close by both for production and development."

Eyeing a long innings in India, Lorig has already thought about a prospective fourth manufacturing facility coming up near Delhi logically. "Normally we look at seven-year cycles, a decision that we will be taking four years from now. We will expand in aesthetic sealings and would like to localise to



Michael Lorig: "Our fourth manufacturing facility will likely come up near Delhi."

about 90 percent parts."

He is not really looking at export of sealing products from India but more of new design shipments as engineering is more a global function while production must always be local to derive the supply chain cost advantage.

Gold Seal-SaarGummi has focused on automation and precision in its new plant to bring about a higher level of operational efficiency. The company has a long-term growth plan for adding a slew of new customers while expanding business with existing ones. Here a balanced mix of automation and a skilled workforce will hold the key to achieving higher levels of product quality. With a host of new automakers and their suppliers setting up shop in Gujarat, a challenge will be finding skilled workforce for which adequate training institutes are the need of the hour in this fast-growing automotive belt. ■

30 SECONDS ON... A WALK THROUGH THE NEW SANAND PLANT

A BRAND-NEW manufacturing plant is always exciting. Accompanied by Darius Aga, I took a walk through the facility starting with the chemical weighing area which ensures that ingredients of the rubber compound recipe are weighed accurately to meet specific requirements. Zero variation necessitates the use of a fully automated system with bar coding and full traceability to ensure every batch meets customer requirements.

The next stop is at the mixer where all the ingredients for the rubber compound are mixed and then cooled and prepared for extrusion. The extrusion process begins at the extrusion facility, drawing on coiled metal that gives the profile the rigidity to fit on the flanks of the vehicle body.

As I watch, metal is uncoiled and fed into the extrusion machine where it is covered with rubber giving it all the dynamic properties in terms of the elasticity required for the application. "We have the latest SaarGummi extrusion technology and can have different types of rubbers, be it coloured rubber, tarred rubber, soft rubber, hard rubber with different centres of gravity from one machine," explains Aga.

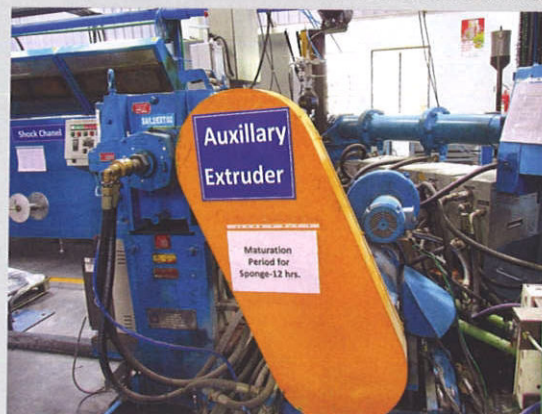
Rubber is then cured and cooked on a continuous curing extrusion line. All the machinery has been imported as per SaarGummi specifications from USA, China and Germany to obtain the best results at each station. This also ensures that whatever the design, the curing is consistent. Conventional machines would lead to curing happening in a non-uniform manner in different parts of the product. Here, speed, compounds and machines play an important



Equipment has been imported from USA, China and Germany.



Initial operations have kicked off with one co-extruder line.



With five extruder lines, the output from this plant will total 20,000,000m/year within three years.

role in bringing uniformity in outcomes.

Drilling and finishing operations follow thereafter. Aga points out the automated clipping machine for clipping to profiles on vehicle body. The machine removes variations in clip distances after profiles are made and ensures accuracy.

