



ASIAN BOARD

protective paints/coatings. From being a frontrunner in the electroplating sector for several decades, GWIL has emerged as a complete solution provider for the entire surface finishing industry.

Equipped with a modern R&D centre in Mumbai (approved by the Indian Council of Science and Technology), the company, with a strong manpower base of over 1,200 employees, has seven manufacturing facilities in Pune, Vapi, Dadra Nagar Haveli, Himachal Pradesh and Jammu. The company's facility in Pune makes and markets a wide range of plants and auxiliary equipment, tailor-made to meet specific surface finishing requirements.

GWIL currently operates under five divisions: chemicals, engineering, paints, industrial lubricants as also real estate which runs a successfully managed mall (Growel's 101; built-up area: 450,000 sq ft) in the western suburb of Mumbai.

GWIL caters to a wide range of industries including automotive, electrical and electronics, hardware, jewellery, plating on plastics, as also marine, infrastructure, oil & gas and other heavy industries.

Its products also find usage in nuclear, space and defence applications, where it has clientele such as Indian Space Research Organisation (ISRO), Bhabha Atomic Research Centre (BARC), Hindustan Aeronautics Ltd (HAL) and Defence Research & Development Organisation (DRDO).

GWIL has been supplying specialised chemicals and paints to ISRO's Mars Orbit Mission - Mangalyaan. The company has also been meeting the surface finishing requirements of DRDO for its coveted BrahMos Aerospace programme (supersonic cruise missiles). HAL too has been using the company's electroplating chemicals and plants for Sukhoi fighter aircraft for many years now. Then, there is BARC, which has got electroplating plants from GWIL and has also been sourcing its specialised chemical needs.

The company has been recently awarded the AS9100 Aerospace Certification from the BSI group, which

## A force to reckon with

GWIL is all geared up to explore the entire gamut of surface finishing space

**G**rauer & Weil India Ltd (GWIL), Mumbai, a pioneer in the field of surface treatment technology, specialised chemicals, as also engineering plants for the electroplating industry, has consolidated its leadership position in the domestic surface finishing industry. In existence for over six decades, GWIL enjoys more than 40 per cent share in the Indian electroplating market, which in the last decade has undergone a transformation. In line with the changing market dynamics, the

company has also tried to upgrade its offering to meet the changing requirements of customers. GWIL is the only company in India and among the few companies in the world that are present across the entire spectrum of electroplating (chemicals as well as engineering).

The ₹500-crore company has created a diversified portfolio which, apart from manufacture of electroplating chemicals and machinery, also makes an array of industrial lubricants and high-performance



is the management standard for the aerospace industry. GWIL has become the first chemicals and paints company in India to receive the certification, which will enable it to supply its products to the global aerospace industry. The company has recently received approval from Rolls Royce and GoAir, while Boeing is carrying out the process of evaluation. GWIL has created a special task force to explore the opportunities in the aviation sector.

GWIL also has customers like Tata, Hero Honda, Escorts, Tafe Motors, Yamaha, Crompton Greaves, Baker Lakshmi Machines, SKN-Bentex group, Duroshox, Mico, L&T, IOCL, HPCL, GAIL, Godrej Aerospace, Air Costa, BHEL and Space Application Centre. The company exports about 10 per cent of its products to over 55 countries including the US, the EU, South America, the Middle East and South East Asia.

"Rolls Royce has recently approved GWIL's Growspace Aqueous Cleaner, which will be used by Godrej Aerospace," says Shrikant Nigade, head, chemical processing, Godrej Aerospace. "The GWIL team has shown outstanding professionalism in indigenising this product. We appreciate their efforts in carrying out all necessary qualification testing required to meet the stringent quality requirement by Rolls Royce and look forward to working together in more such projects in the future".

"We are using GWIL's electroplating chemicals for our zinc-nickel, zinc and passivation applications," acknowledges P. Radhakrishnan, DGM, manufacturing, L&T Heavy Engineering. "We are fully satisfied with the quality of chemicals supplied as the final products are meeting the customer requirement. We also consistently get technical support from them."

"GWIL is a truly one-stop solution provider," says Kamallesh Shah, managing director, Yoshika Engineering, Pune. "They have supplied us with a fully automated nickel chrome plating plant, as also a plant for effluent treatment. Besides, they have been supplying us the required chemicals. The best part is that they always work with their customers as their partner



*Niraj: turnaround man*

and are always there when you seek their support". Yoshika Engineering has been associated with GWIL for many years now. The ₹200-crore company, an OE supplier to Bajaj Auto and Bosch Chassis Systems, carries out plating for wheel rims, handle bars and accessories at its state-of-the-art PLC-controlled nickel chrome plating plant in Chakan, near Pune.

"Over the years, we have managed to build a modern conglomerate, which has got diverse interests across

the entire surface finishing value chain," says Umesh More, 68, chairman, GWIL. "Our customers have been our core focus and they are the ones with whom we have continued our growth story. Over the last few years, we have ramped up our capabilities and entered newer businesses to add more value to our business".

#### **Diversification and partnerships**

GWIL's genesis goes back to 1957, when a team of young entrepreneurs with





long-standing reputation in the plating industry, formed a partnership company, Grauer & Weil, in collaboration with Grauer & Weil of the UK. The company's activities in the early days were focussed on the manufacture of products like polishing compounds, mops and fibre wheels. Subsequently, it acquired and adopted newer technologies and enlarged its product range to include pre-treatment and basic chemicals. It also diversified into manufacturing conventional engineering equipment like filters, agitation units, tanks, exhaust systems etc, which were used in the electroplating industry.

In 1969, the management of the company changed hands by virtue of which the control came to rest with a business, jointly promoted by the Mores, as also the Goenkas (Bhagwati Prasad Goenka). Both the families split in 1991, thereby making the Mores the sole owners of

the company.

Currently, the Mores hold 69.02 per cent in the listed (BSE/NSE) entity. The Goenkas (Sushil) are at present the promoters of Artek Surfin Chemicals, a Mumbai-based company, which is also one of the major players in the domestic surface finishing industry. Umesh More, the third generation entrepreneur, is also joined by his son Niraj More, 48, managing director, GWIL, who joined the company in 1991. Niraj joined the company in the engineering division, as an in-plant trainee after completing his Bachelor of Science degree in Business Administration from New Hampshire University.

In 1994, the Mores took over Bombay Paints Ltd (BPL), as it was planning to diversify its portfolio into surface finishing space. BPL was engaged in the manufacturing (facility: Chembur, Mumbai) of high performance paints for industrial, OE

and marine industry. Niraj played a crucial role in turning the sick unit around. His dynamism and entrepreneurial skills have been instrumental in pulling the company out of the red and making it profitable.

In 2008, Mores merged BPL with GWIL, and it became the paint division of the company. It is now a ₹55 crore business and is all set to become ₹200 crore in the next two-three years. "BPL was a big learning curve for me," says Niraj. "It was this experience that gave me the much-needed confidence to look for newer growth areas. Today, as a company, we boast of a well diversified portfolio to explore the opportunities for our future growth. In the last decade or so, we have added new businesses which along with our core business of electroplating chemicals and engineering will ensure the company will get into the next level of growth phase".

In addition to the paint business, the company has also got into manufacturing specialised lubricants and oils. The company has two plants – one each in Vapi (Gujarat) and Barotiwala (Himachal Pradesh), producing industrial lubricants such as rust preventives, cutting oils, hydraulic oils, heat treatment oils, stamping/vanishing oils and synthetic chain oils. Though the company has been in this business for the last few years now, it is in the last couple of years that it has shown an aggressive intent by creating a large pool of customers in steel, auto ancillary and other industries where machining jobs are carried out.

The company which also has paint

## Journey of the Mores

Umesh More, a third generation entrepreneur, belongs to a Marwari business family from Kolkata. His grandfather Manshukhrai More had moved from Rajasthan to Kolkata way back in the 1920s, and made his fortunes investing (speculative activities) in the jute and textile mills. He was also

into trading of commodities. In the early 1940s, his father Nandlal More came to Mumbai to expand the business further.

By the late 1950s, the Mores were owned (solely, as also in partnership with the Seksarias and the Jhunjhunwalas of Kolkata) as many as 14 textile mills in Mumbai – including

India United Mills, Shree Mahalaxmi Woollen Mills, Sriram Mills and Sitaram Mills. These mills employed over 40,000 workers during their heydays. Even as the Mores were expanding their business in Mumbai, in the second half of the 1950s, Manshukhrai suffered heavy losses in his trading business and that forced the Mores to gradually divest/sell their interest in these textiles mills. India United Mills

was the first textile mill in the country to be taken over by National Textile Corporation (NTC) in 1966.

In the 1950s, the Mores, along with the Goenkas, floated a company called Rajasthan Trading Company and got engaged in textile trading activities in Mumbai's Kalbadevi area. The trading entity in 1964 invested in five soft drink bottling plants for Parle (Coca-Cola). The Mores



manufacturing facilities in Vapi and Barotiwala, has recently set up a modern paint plant in Dadra Nagar Haveli. The facilities for electroplating related chemicals are located in Dadra, Vapi and Jammu. In Alandi near Pune, the company has its engineering division, which makes all types of plants and equipments used in the surface finishing and other allied industries. Over 700 plants of varied types have already been commissioned by the division in India as well as overseas. The engineering division also offers turnkey solutions for effluent treatment.

"In the last few years, we have consciously tried to diversify into these niche businesses, which we expect to be the drivers of growth going forward," says Vinod Haritwal, CEO & director of GWIL. "Keeping up with our tradition of innovation, we are building up our capabilities in a big way. We have consistently looked out for strategic partnerships with global technology providers". GWIL has entered into a technical collaboration with SIDASA, a division of Cromogenia of Spain, to augment its industrial lubricants and oils business.

In high performance paints/coatings, the company has tied up with Trans-ocean Coatings, the Netherlands, which is a worldwide association of paint producers. The association develops, manufactures and sells anti-foulings, anti-corrosives and many more coatings for ships, offshore installations and industrial facilities. GWIL, in collaboration with NOF Metal Coatings group, Japan, is offering specialised non-electrolytic

separately also invested (50 per cent stake) in Parkson Printers (in playing card printing and others) in 1963 and also took a controlling interest in Bombay Garage in 1967, along with the famous imported car dealer Lalit Bagla. However, they moved out of the venture three years later. It was the time when Umesh More, who was pursuing his automobile engineering in the UK returned and joined the family

business, which took over the operations of Grauer & Weil in 1969.

The Mores, along with the Goenkas, had also got into garment manufacturing in 1960s. Mumbai-based Texport Syndicate, still in existence though now owned by the Goenkas, was one of the five largest garment exporters in India in the early 1980s. After the split



Haritwal: diversification into niche businesses

zinc and aluminium flake water-based coatings.

#### Ahead of the competition

The company has also signed a technology transfer and licence agreement with Herbert Schmidt GmbH & Co KG (HSO), Germany, for the manufacture and sale of their entire range of products for plating on plastics on an exclusive basis in India and surrounding countries and on non-exclusive basis in the rest of the world except Europe and Turkey. This agreement will reinforce GWIL's leadership in the business of providing solutions for surface treatment on a large variety of substrates.

All these efforts are well-backed up by a centralised R&D centre in Mumbai, which is recognized by the Indian Council of Science and Technology since 1977. Besides, there are 40 QA laboratories at all the 24 branch offices and 28 technical service centres.

These laboratories function continuously to monitor and support the pan India customers as also global customers. Moreover, the company has a wide network of around 100 distributors/sales partners in India and 50 distributors overseas. The company has also changed its organisational structure to be more focussed. All the businesses work as SBUs and are backed up by independent teams.

Besides, the company has also created a real estate (RE) division (for the last 10 years now) which has turned out to be a profitable venture. The RE division runs Growel's 101 (95 per cent occupancy, average rental ₹140 per sq ft) in the western suburb of Kandivli in Mumbai, where it has a land parcel of about 10 acres (the company had its plants on this location, to be shifted to other locations outside Mumbai in the mid-1990s).

The company, which has a total land parcel of about 13 acres in



between the two families in 1991, the garment business and three bottling plants went to the Goenkas, while GWIL and two bottling plants remained with the Mores. In 1991, Niraj More joined GWIL after completing his Bachelor of Science degree in Business Administration from New Hampshire University.

Currently, apart from

Umesh More who looks after the core businesses of the company and Niraj, who is in charge of newer businesses like paints and lubricants, Rohit More, 44, director, GWIL (cousin of Niraj), heads the engineering division, and Pallavie More, president, GWIL (wife of Niraj), looks after real estate as also marketing/operation of the family who are involved in the business include chemicals division. •





Mumbai (3 acres in Chembur, a suburb), has chalked out a comprehensive plan to monetise this over the next few years. According to the company, which had also appointed McKinsey some years ago, the present land parcel has a development potential of over ₹3,000 crore.

"Real estate is going to be a big business for us going forward. We are planning to explore opportunities in hospitality, retail and IT/office space in a big way. We are already in talks with some developers as also PE players," says Pallavi More, president, real estate division, GWIL.

"No doubt, having this kind of land parcel is a big asset in a market like Mumbai. Moreover, the location is also quite good and hence can fetch good valuation and returns for the company," says Ashok Kumar, managing director of property consultancy firm Gennex Partners.

"Along with manufacturing, real estate will be our focus area, going forward. We are looking out to monetise our land parcel in the next few years," says Umesh More, who is looking for an investment of about ₹250 crore in the next two-three years. Apart from real estate development, the company, a zero-debt and cash surplus entity, is looking to add new facilities across its other businesses. In fact, the company has prepared a roadmap, which will take its turnover to over ₹1,000-1,200 crore in the next four-five years.

GWIL has been growing at a CAGR of 6-8 per cent in the last five years. At a market capitalisation of ₹811 crore, its

share on BSE is priced at ₹36 (52 week L/H: ₹20.10/ ₹44.50). "In the last few years, we have done all possible preparation and now are all geared up to take a big leap forward. Apart from organic growth, we have also decided to look for inorganic opportunities in the domestic as well as overseas markets," says Niraj More.

"While we have been the distinct leader in the electroplating business for many years now, we now want to become be a complete solution provider too in the surface finishing arena," affirms Haritwal. "In fact, we want to replicate our success story (backed by our vision of quality and innovation) in other newer businesses as well".

"GWIL has made its mark in the electroplating industry, because of its consistent quality and innovations," acknowledges Ankur Shah of Mumbai-based Shah Sales Corporation. "It has maintained its position in the business, which finds applications across multiple industries. The company not only supplies its products but also helps the customers throughout their journey". Shah Sales Corporation has been a dedicated distributor of GWIL for over three decades now.

"The domestic surface finishing industry has shown a good growth in the last couple of decades," says Sunil Goel, president, Metal Finishers' Association of India (MFAI). "And, demand for its products in the consumer industry (automotives, electrical and electronics and hardware) has gone up significantly. With MNCs setting up facilities, there is demand for

quality and consistency. In fact, the market has undergone a big change, becoming more organised in structure". MFAI is the apex trade and industry body for companies engaged in the surface finishing space. The domestic market has also seen entry of MNCs like Atotech, a subsidiary of the French oil and gas major Total SA. The company, headquartered in Germany, is in to manufacture of specialty chemicals for surface finishing and was acquired last year by Carlyle Group LP for \$3.2 billion.

Despite Atotech being in India for quite some time now, GWIL has continued to be the number one player in the domestic market, which contains a large number of small and regional players also. Other organised players include Artek, as also several smaller players like Progressive and CMP. Importantly, among the organised players, GWIL is the only player, which not makes only chemicals but also offers engineering solutions, where it competes with players like Ronuk Industries, Kamtrass Automation, PS Global Engineering and others.

"Unlike other players, we at GWIL are in a position to offer a one-stop solution for our customers," says Niraj. "Moreover, addition of newer businesses has enlarged our portfolio in a big way, thus, providing us a distinct edge in the market".

With all these developments in place, GWIL is all geared up to maintain its leadership position in the market. From being just a leading player in the electroplating business, the company has over the last few years consciously tried to emerge as a major player in the entire value chain of the surface finishing space. Strengthening of core businesses and the addition of newer businesses will provide the company the much-needed momentum, going forward. While this will add to the topline, it will also significantly boost the bottom line, since most of the newer businesses are in the niche areas. While the market is expanding, the company's well-diversified product offering will keep it ahead of the competition.

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feedback@businessindia.com