

# “Attention to security seal selection can save huge revenue”

From preventions of theft, adulteration and contamination of food and medicines to safeguarding luxury goods in transit or revenue protection of utility services need security against tampering. In this interview, **Rajesh Kumar Banka**, Managing Director, Safcon Seals Pvt Ltd, highlights the importance of security in industries and role of security seals for protection of the product and revenue loss.

## What role do security seals play in safeguarding the interest of the users?

Security seals play a vital role as step one tamper indicating devices to provide with information of any unauthorized removal or entry. They are not padlocks that can be opened with duplicate keys and relocked after the theft. It's regretful that despite being an integral product of security, the importance of security seals are still at a slow-paced learning stage being a very low value item for many industries.

Though it is most important product that any company uses to safeguard its products in transit, revenue protection by utilities or for safety and security purpose. It's basically a signature of the users. For example, electric utility using meter security seals. It procures from the L1 bidder so in the process they first compromise on the quality and thereafter with every tender their security seals changes because some other manufacturer becomes L1. Nobody has given thought on this angle till now and this is one of the crucial reasons why the electric distribution companies have huge losses year after year.

In most cases, the meter security seal serial numbers are recorded but type of seal or manufacturer of seal is not recorded. This makes it easy for counterfeiters to tamper with the utility meters and replace the original seal with a fake seal with same serial number on the meter. It is very important for the security seal users to keep consistency of their security seal. Another common example can be that of a FMCG buying security



seal from different vendors and only record the serial number for their reference. When the counterfeiter replaces with another seal with same serial number, the receiving end tally the seal number and type of seal and the tampering goes unnoticed.

## How is the market for security seals in India?

Indian market for the security seals is highly unorganized. When we started production of tamper evident security seals, 25 years ago, no one was aware about the product or concept. Age old lead seals were popularly used for sealing purpose everywhere back then. Gradually the industry started to recognise the importance and use of the tamper evident security seals for their respective fields. Now when the market for security seals is matured, many small regional players have entered the market.

The customers are encouraging and preparing small plastic moulding units, having no knowledge of

security aspect of tamper indicating security seals, are supplying seals on cheaper price, thus creating space for spurious quality and fake/duplicate security seals. Gradually, they put themselves and many other similar users in deep trouble. Thereby, instead of protection, such companies start using security seals for statutory purpose only. They also start to believe that no security seals actually work.

At Safcon, we believe “Poor Security is No Security” and utmost quality checks are in place at every stage of production. We are innovators, we develop unique designs of security seals that are not available in the market. I am proud to say that in 25 years of our business we have not received a single complain about duplicate numbered or missing numbered seals which is uncommon in this industry. The majority of our customers are with us for 10 to 20 years, that in itself speaks volume about our products, quality and customer satisfaction. Those customers that we lost were either due to L1 price in government tender or the ones who switched over to cheaper quality seal to save few paise. We have one single standard for each of our products. We never compromise on the quality and never use recycled materials unlike others. We choose to forego business where price is major criteria.

We manufacture more than 50 types of tamper evident security seals for varied applications. We export about 30 per cent of our production and are targeting to increase our exports to 50 per cent.

There are plenty of manufacturers in the country to meet the domestic demands for 'statutory' security seals and very few quality conscious customers.

**For Safcon, which end-user industries contribute the most to your sales?**

FMCG, chemicals, bulk drugs, pharmaceuticals, hospitals, oil, milk, coal, steel, jewelry, railways, departmental stores, fire extinguisher, warehouses, petroleum, airlines, banks, transport, shipping containers, electric utilities, gas utilities, election authority (ballot boxes and EVMs) are major users of security seals.

We are specialised in tamper proof electric meter security seals and have made our contribution to change the sealing system of electric meters from lead seals to polycarbonate meter seals and today most of the specifications of meter security seals derive from our invention Metgrip polycarbonate security seals. Power sector is our major customer and contributes to about 60 per cent of our total sales.

**Government is planning to roll out a smart meters scheme for the power sector. Will this lead to increase in demand for security seals & how?**

This is a very relevant question and glad you asked. Almost everyone assumes that smart meters cannot be tampered with and hence may not require security seals. I would like to mention here that Smart meters too require meter security seals for physical security sealing of the



terminal cover after it is connected to the main line at the location. In addition, manufacturer warranty seal of the meter manufacturers is required as well.

Definitely this will lead to the increase in demand of meter security seals. I would like to convey to chief of every electric distribution companies, whether private or government, domestic or international, to put adequate attention and emphasis on selection of right meter security seal whether it is for traditional mechanical/ electronic meter, AMI or smart meters to prevent meter tampering and to protect their revenue. We should not encourage 'penny wise pound foolish' thought process. One must ensure procurement of their meter security seal directly rather than getting it from meter manufacturers or service provider, just because its 'convenient'. All utility meter seals are a security product that can prevent revenue loss or can be misused for power theft. This aspect plays very crucial role to control meter tampering.

**What are the emerging trends in the security seals market?**

Presently, cargo is an emerging market for security seals, to curb the theft in transit and prevent adulteration in order to save brand image. Though, in this industry as well, the same problem exists. Companies do not want to invest a single extra rupee for better security of their products in transit. One should keep in mind that a tamper resistant security seal plays a role of honest security guard 24/7 at mere cost of a packaged water bottle.

The future emerging market for security seal will be water meter protection. Water wastage is at its highest because it's free. To control the usage, government has started installing water meters in few states in India which, in my opinion, will become necessary for every state in the times to come.

**What are the key challenges before SMEs today? Has the Covid 19 affected your business?**

There are many challenges before SMEs today, the market is becoming competitive for every industry, profit margins are squeezing, liquidity problem and cost of production is increasing particularly, manpower cost. SMEs are the worst hit due to Coronavirus. Already SMEs were having cash flow problems and now it will become worst. The survival of many SMEs will be the biggest challenge, post Covid 19 pandemic.

Yes, like any other business, Covid 19 has affected our business too. Many of our customers fall under essential sectors- like electricity, milk, food grains, pharmaceuticals, banks etc and we are unable to serve to their needs due to the lockdown.

**What are your growth plans for the next 2 years?**

We had planned to double our production in the next two years. In view of the Covid 19 uncertainty, we hope to achieve 60-75 per cent of our target by 2022.

IPF

Fire Extinguisher Security Seal

