

Gabriel India Limited

C O R P O R A T E P R O F I L E A N D F I N A N C I A L S

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Gabriel India Limited

Board of Directors

Deep C Anand
Chairman

K N Subramaniam
Managing Director

V W Hunt
B L Ruddy
Russi Jal Taraporevala
B K Khare
M K Kukreja
C S Patel
H R Prasad
Neeta Mukerji (Nominee of ICICI)

General Manager - Finance

S P Sharma

Bankers

Standard Chartered
Grindlays Bank
Bank of India

ICICI Bank

Punjab National Bank

Auditors

Price Waterhouse & Co.

Solicitors

Udwadia, Udeshi & Berjis

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Corporate Offices

1 Sri Aurobindo Marg
New Delhi 110 016

Magnet House
N M Marg
Ballard Estate
Mumbai 400 038

Registered Office

29th Milestone
Pune-Nashik Highway
Village Kuruli
Taluka Khed
Pune 410 501
(Maharashtra)

Manufacturing Facilities

Ride Control Products

S-304, LBS Marg
Mulund (West)
Mumbai 400 080 (Maharashtra)

Chander Nagar Indl. Area
Delhi-Jaipur Road
Gurgaon 122 001 (Haryana)

B-2, Ambad
MIDC
Nashik 422 010 (Maharashtra)

5, Industrial Area No.3
Agra-Mumbai Road
Dewas 455 001
(Madhya Pradesh)

29th Milestone
Pune-Nashik Highway
Village Kuruli
Taluka Khed
Pune 410 501 (Maharashtra)

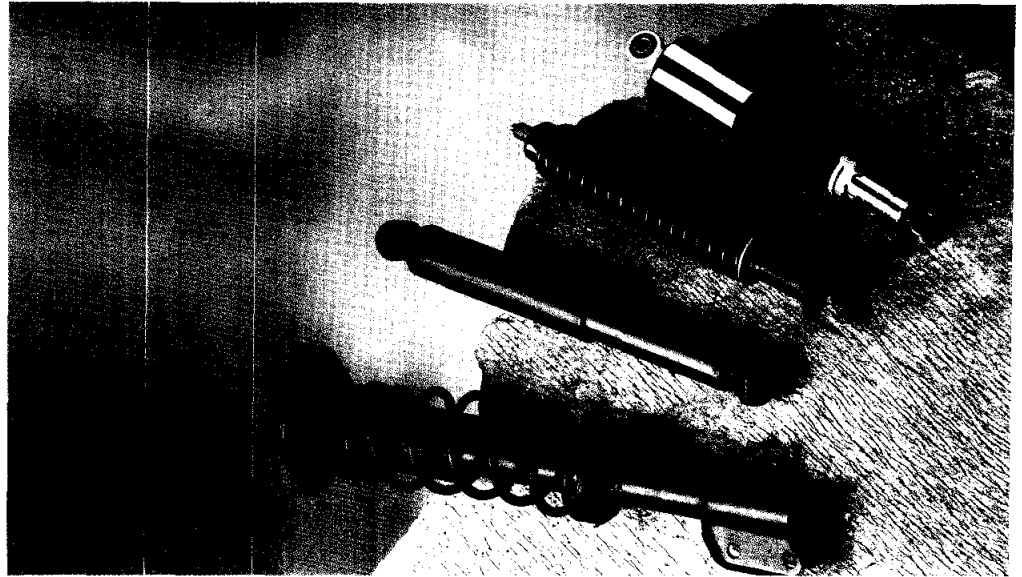
52-55, S. No. 102/3, - 106/(PT)
Sipcot, Phase-II
Moranapalli Village
Hosur 635 109 (Tamil Nadu)

Engine Bearings

Plot No. 5, Sector II
Parwanoo 173 220
(Himachal Pradesh)

ANAND 

	2000-01	1999-00
Domestic Sales (Rs. Lacs)	25738	23286
Export Sales (Rs. Lacs)	1096	1142
Total Sales (Rs. Lacs)	26834	24428
Profit Before Tax (Rs. Lacs)	503	306
PBT as a % to Sales	1.87	1.25
Profit After Tax (Rs. Lacs)	456	267
PAT as a % to Sales	1.70	1.09
Return on Net Worth (%)	5.05	3.06
Net Worth per Share (Rs.)	126.39	122.47
Earning per Share (Rs.)	6.39	3.74
Dividend per Share (Rs.)	2.50	2.00
Dividend Cover (Times)	2.56	1.87
Return on Total Assets (%)	1.66	0.97



- QS 9003 Certification along with ISO 9001 for Pune Plant
- 'Best Productivity Award' for 1998-99 and 'Certificate of Merit' for 1997-98 from National Productivity Council for Nashik Plant in the light Engineering category
- Pune Plant 100% OE Supplier for Toyota - Qualis, Ford - Ikon & Escort, Fiat - Uno, Hyundai - Santro and Mitsubishi - Lancer
- Supply of McPherson Struts, with technology from Kayaba, to commence mid 2001 from Gurgaon Plant
- Nashik Plant selected as Supplier for Shock Absorbers by Honda Motorcycle & Scooter India Pvt. Ltd for their new scooter model, Activa
- Selected as Supplier by Maruti Suzuki for Gas-filled Shock Absorbers in Kayaba design
- Commenced supplies of Front Forks for models of TVS Suzuki, Kinetic and LML
- Capacity expansion for Front Forks at Hosur to meet the growing demand



Gabriel India is a leading name in the Indian automotive industry with the widest range of Ride Control Products. Its brand - Gabriel - is the market leader and synonymous with shock absorbers. Comprising two divisions, Ride Control and Engine Bearings, the Company has seven manufacturing locations across the country - six in the Ride Control Division and one for Engine Bearings.

Gabriel India started its operations in 1961 with the manufacture of shock absorbers at Mulund in Mumbai. Later, the Company added Struts, Front Forks and Engine Bearings. Owing to the superior quality and comprehensive range of its products, Gabriel is the principal supplier to both the OE and Aftermarket segments with a sizeable presence in the overseas markets as well.

With investments made in the recent years towards capacity expansion and asset upgradation, the Company is today strategically positioned to meet the requirements of its customers for high performance products. Gabriel India's Nashik and Pune plants have received the QS 9000 certification. Its Ride Control Product Division was the first in India, in its product category, to receive the ISO 9002 certification as far back as 1993. The Company's Engine Bearing Division is also ISO 9002 certified.

REPORT

The Ride Control Division has six plants located at Mulund, Dewas, Gurgaon, Hosur, Nashik and Chakan (Pune). With a combined manufacturing capacity of 10 million Shock Absorbers, Struts and Front Forks, these plants cater to the requirements of all segments - OE Manufacturers, Replacement Market and Exports for application in four, three and two-wheeler vehicles as well as for the Indian Railways.



All facilities are located in close proximity to those of its OE customers to ensure JIT supplies. Gabriel India's first Strut plant was set up in Gurgaon primarily to cater to the requirement of Maruti Suzuki. Today this facility has completed a new project for manufacture of McPherson Struts with technology from Kayaba - Japan, giving Gabriel India an edge over other manufacturers in offering a wider range of products for new passenger car models of Maruti Suzuki. Commercial supplies are expected to commence in the first quarter of 2001-2002. The Gurgaon plant has achieved low warranty

TOP: 'Best Productivity Award' for 1998-99 and 'Certificate of Merit' for 1997-98, awarded by National Productivity Council to Gabriel India's Nashik facility being received by Mr M K Kukreja, Director - Gabriel India Ltd. (left) from the Hon. Vice President of India, Shri Krishan Kant at Vigyan Bhawan, Delhi

BOTTOM: Mr H Hatakeyama, Manager - International Operations Department, Kyb. Industry Co. Ltd., Japan (left) at the Gurgaon Strut Plant seen with Mr Sanjeev Mehrotra, Dy General Manager - Gurgaon Plant



levels as a result of its consistent efforts towards quality and participation in the 'Maruti TPM Cluster' programmes conducted by Mr S Yamaguchi, the TPM guru from JIPM, Japan.



The Dewas facility of Gabriel India manufactures Hydraulic and Gas-pressurised Shock Absorbers as well as Cartridges for passenger cars and commercial vehicles. It meets the complete requirement of OEMs such as Hindustan Motors, Bajaj Tempo, Eicher Motors and Swaraj Mazda. In addition, the plant is a major supplier to Ashok Leyland and Telco. During the year, 48 applications were developed for both domestic and overseas markets. This plant meets 60% of the Aftermarket requirement of shock absorbers for commercial vehicles and passenger cars.

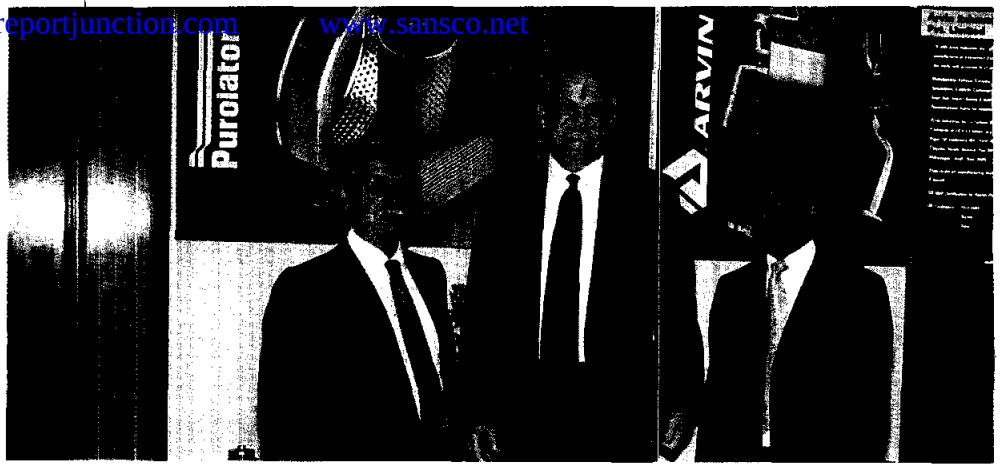
Gabriel's Nashik plant celebrated ten years of operations on 5th March 2001. Over the last decade, this plant has had several achievements and awards to its credit. The first Gabriel facility to be accredited with QS 9000 certification, it manufactures Shock Absorbers for two and three wheelers, and Telescopic Front Forks for motorcycles. With Technology from SOQL of Yamaha Motor Company, Japan, the plant supplies to both the OE and Aftermarket segments. Front Forks are supplied to Bajaj Auto for their 4S and Boxer models, to Kinetic for their new motorcycle, V-50 Challenger and Marvel scooter, and to LML for their Altino 1 model. Other OE customers are TVS-Suzuki and Piaggio Greaves Vehicles Ltd, Baramati.



TOP: Mr S Sengupta, Divisional Manager-Gabriel, Dewas (right), receiving the 'Best Vendor' Trophy (medium scale) from Mr B K Chaturvedi, Executive Director - Hindustan Motors Ltd, customer of Gabriel

CENTRE: Quality Circle Team of Gabriel Dewas, winners of the MP State level Competition conducted by Confederation of Indian Industry (CII), seen with their Plant Head - Mr S Sengupta

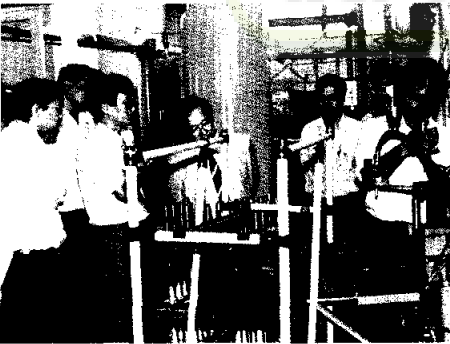
BOTTOM: Visit of Kayaba Team, Japan to the Nashik facility. L - R: Mr Hiromitsu Hatakeyama, Manager-International Operations Dept, Mr K N Subramaniam, MD-Gabriel India, Mr Shotaro Kataoka, General Manager-Motorcycle Parts Plant, Mr Shiro Kakami, General Manager-Overseas Special Project, Mr Masumitsu Tokuda, Chief Overseas Production Support Dept, Mr K K Sawhney, President and Mr V K Gupta, Divisional Manager-Nashik facility, Gabriel India



The Nashik plant has been selected as supplier for shock absorbers by Honda Motorcycle & Scooter India for their new scooter, Activa. Front Forks were also developed for new models of Kinetic V-60 as well as for YBX and Crux of Yamaha. During the year, the Nashik plant received the 'Best Productivity Award' for 1998-99 as well as 'Certificate of Merit' for 1997-98 in the light engineering category from the National Productivity Council.



Recently accredited with QS 9000 certification along with ISO 9001, Gabriel's Chakan Plant, near Pune, has the most advanced technology for manufacture of Shock Absorbers and Struts for new generation cars. With technology from Kayaba-Japan, APA-Kayaba, Spain and Arvin Suspension System Italia of Italy, the plant meets 100% OE requirement of Toyota - Qualis, Ford - Ikon & Escort, Fiat - Uno, Hyundai - Santro and Mitsubishi - Lancer, and major requirement of Tata - Indica. During the year, the plant developed several applications for which it has orders on hand from its OE customers. In addition, the Chakan plant has been selected by Maruti Suzuki for supply of Gas-charged Shock Absorbers in Kayaba design for application in different models manufactured by them. Commercial supplies of the product are expected to commence during the second half of this year.



The Company's facility at Hosur, in Tamil Nadu, was set up to meet the Shock Absorber, Front Fork and Front Suspension requirement of two & three-wheeler manufacturers, especially those based in South India. Today the plant has reached a production level of 9 lac shock absorbers and 1.16 lac front forks and is a major supplier to TVS-Suzuki on JIT basis for their plants at Hosur and Mysore.

The Hosur plant is also equipped with a state-of-the-art Inner Tube facility with an installed capacity of 6 lac numbers. It has capability to produce Twin and Mono Tube Shock Absorbers for the entire range of two-three wheelers. During the year, the Hosur facility developed 28 applications of shock absorbers and 4 of front forks. In addition, the Front Fork capacity has been expanded to meet the growing demand.

TOP: Mr V W Hunt, Vice Chairman & President - ArvinMeritor Inc. USA (centre) at Gabriel India's Pune facility, seen with Mr D C Anand, Chairman - Anand Group (left) and Mr K N Subramaniam (right)

CENTRE: Nashik Plant celebrates ten years of Operations

BOTTOM: Visit of SQCI Team, Japan to the Company's Hosur facility



Stallion Shox, located at Surajpur in Uttar Pradesh, has a manufacturing capacity of 1.5 million shock absorbers. Equipped with modern machines imported from USA and Canada, the plant also has an in-house hard chrome plating facility. Already certified for ISO 9002, the plant has also been recommended for QS 9000 certification. During the year, over 4 lac shock absorbers were manufactured with plans to take the production to about 5 lac units during 2001-2002.

After the acquisition of Stallion Shox by Gabriel India, commercial production restarted in August 1997. Owing to the Company's emphasis on quality and customer service, the products manufactured at Stallion facility have gained recognition and respect of customers. The Company is an OE supplier to LML and is pursuing opportunities for supply to other two and four wheeler OEMs in the northern region.

Gabriel India has technical and financial collaboration with Gabriel Ride Control Products, USA now a part of ArvinMeritor Inc, a top-tier, global supplier of integrated automotive systems and modules with annual turnover of US \$ 7.6 billion.



Other Collaborators of Gabriel India are Kayaba of Japan, APA-Kayaba, Spain, SOQI - a 100% subsidiary of Yamaha Motor Company, Japan and Arvin Suspension System Italia of Italy. Gabriel India has been receiving support from its Collaborators. During the year, experts from Kayaba - Japan, APA-Kayaba, Spain and SOQI - Japan visited the facilities of the Company to provide technical inputs. Several Engineers from Gabriel India have also been to the plants of Kayaba, APA-Kayaba and SOQI to enhance their technical competence and also gain exposure to the Collaborators' manufacturing practices and work ethos.

With manufacturers of cars as well as two and three wheelers offering special features and longer warranties to attract buyers, there is mounting pressure on the Company for cost competitive, defect-free quality products and lower warranty returns. To meet such exacting demands, Gabriel India has made Technology a key area with substantial investments made in R&D and technical expertise.

TOP: Mr V W Hunt, Vice Chairman & President, Mr Dan Daniel, Sr Vice President & President, Mr Rob Malone, Vice President & GM - North American Filter Operations and Mr John Wehrenberg, Director - Asian Operations, ArvinMeritor Inc., USA at the Gurgaon Plant

BOTTOM: Mr Aziz Aghili, Director Operations & Regional Business Liaison, Asia Pacific - ArvinMeritor Inc. (left) at Gabriel Nashik Plant

The Company's state-of-the-art R&D Centre with ultra-modern facilities at Chakan near Pune, was set up to cater to the requirements of its customers. It provides valuable technical inputs to Gabriel plants in several areas including analysis of warranty issues, improving the build and ride quality, and optimising the suspension performance. This R&D Centre has also acquired trouble shooting and bench testing capabilities for a key concern area, NVH (noise, vibration and harshness).

Owing to its focus on technology and a four-decade experience, Gabriel India is today well positioned to meet the needs of its customers by providing dedicated and expeditious service. To enhance its business, the Company is also working on development of Ride Control Products for Hyundai - Accent, Maruti - Alto & Wagon - R, and Fiat - Siena & Palio.

In 1978, Gabriel India set up its Engine Bearing Division at Parwanoo (Himachal Pradesh) in collaboration with Federal-Mogul Corporation, USA, world leaders in thin-walled, bimetal Engine Bearings. The Division has a fully integrated facility for the manufacture of a complete range of Bimetal Bearings, Bushes, Flanges and Thrust Washers.



With an annual manufacturing capacity of 20 million pieces, the ISO 9002 certified facility has an in-house chemical and metallurgical laboratory, a non-ferrous powder foundry, sinter lines, semi-automatic presses, high speed broaching machines and an automatic electroplating facility. It also has sophisticated testing facilities such as Tallyrond, Surface Analyzer, a computerised Bearing Profile Analyzer and other metallurgical equipment to maintain high quality of the products.

The Plant is equipped with a state-of-the-art 'Autoline', imported from Federal Mogul, USA. This is a fully automatic line with logic control system to cater to the passenger car and commercial vehicle segments. The Division also has a semi-automatic line for manufacture of copper-lead and aluminium-tin Bearings as well as a medium-sized bearing line for Cummins.

A complete range of Large Size Bearings, with German technology, is also manufactured in this state-of-the-art facility equipped with a CNC-controlled Profile Milling Machine. These bearings are supplied for application in the Railways, Marine, Power Generation and Industrial segments.

With focus on Quality and Customer Satisfaction, coupled with initiatives such as new product development and extensive product range, Gabriel India has emerged as a market leader for Ride Control Products and a key player for Engine Bearings in all segments.

Computerised Engine Bearing Profile Inspection Station in the Engine Bearing Division, Parwanoo



The Company's large dealer network provides effective market penetration. To enhance its market presence, Gabriel's team of trained sales personnel interacts closely with the Trade and other decision makers. As a further step towards customer service, the Company has set up an all-India service network comprising engineers to provide support to reborders and mechanics on any technical issue relating to its products.

To reinforce its strong brand image, the Company organises regular dealer and mechanic meets as well as promotional activities for different segments of the consumers. During the year, Gabriel India conducted 'Van Campaigns' for both shock absorbers and engine bearings for penetration in satellite towns, and 'Free Check-up' and 'Umbrella' campaigns at petrol pumps and other vantage points for its Ride Control Products. In addition, aggressive promotions for Engine Bearings were also carried out in rural and upcountry markets to tap the tractor segment.

To keep itself abreast of the changes and developments in the market place with emphasis on assessment of business potential, opportunities and customer preferences, the Company also conducts Market Research.

Exports of Ride Control Products were severely affected due to depressed demand from the Far East, which has been a good market for Gabriel India. However, the Company made efforts to develop other channels of exports, which have paid dividends with two-wheeler shock absorbers being exported to Sri Lanka during the year. The Company is also negotiating with various OE customers in Europe and is hopeful of generating reasonable volumes of business. Discussions are also in progress with its Collaborator - ArvinMeritor Inc, USA for marketing of the Company's Ride Control Products through ArvinMeritor's Worldwide Distribution Network.

Gabriel's Engine Bearing Division took up Exports as a thrust area during the year. This helped in garnering good business from its major customers in Europe, USA, Africa, Middle East and from neighbouring countries as well. The Division also made an inroad into the OEM business in Europe. In addition, opportunities were also identified for exports of Large Size Bearings, which have found ready acceptance in the world markets. To enlarge its export base, Gabriel India has also initiated a dialogue for supply of its products for the global requirement of Automobile majors based in India.

TOP: Division Head of Engine Bearings, Mr M Surendra Babu (4th from left) with his marketing team during a 'Van Campaign' for Engine Bearings

CENTRE: As part of promotional activities, a 'Free Check-up' campaign for vehicle owners to provide them with useful tips on Shock Absorbers

BOTTOM: Piaggio Team - Italy, customer of Gabriel India, on a visit to the Hosur facility seen with managers of the Company

