Gabriel India Limited

Board of Directors

Deep C. Anand Chairman

K. N. Subramaniam Managing Director

B. L. Ruddy
Russi Jal Taraporevala
C. S. Patel
Ravi K. Sinha
Jaithirth Rao
M. S. Sandhu
Padmini Khare Kaicker
Arvind Walia

Financial Controller & Company Secretary Manoj Tulsian

Bankers

Standard Chartered Bank Bank of India ICICI Bank Punjab National Bank IndusInd Bank Citi Bank

Auditors

Price Waterhouse & Co.

Solicitors Udwadia & Udeshi

Corporate Offices

1 Sri Aurobindo Marg New Delhi 110 016 Tel: 011 - 26564542,

26564666

Fax: 011 - 26862644

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) Tel: 02135-645031-34, Fax: 02135-661030

mail: secretarial@

gabriel.co.in

Manufacturing Facilities

Ride Control Products

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

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

B-2 MIDC Ambad Indi. Area 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)

B-193, Phase -II Dist. Gautam Budh Nagar Noida 201 305 (Uttar Pradesh)

Engine Bearings

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

38th Milestone, NH 8, Delhi-Jaipur Highway Behram Pur Road, Khandsa, Gurgaon - 122 001 (Haryana)

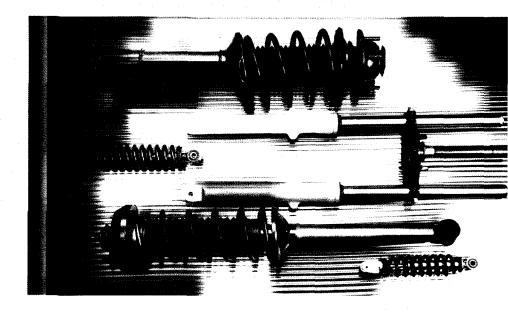
Engine Bearings (100% EOU) Plot No. 5, Sector II Parwanoo 173 220 (Himachal Pradesh)



Financial Highlights

	2005-06	2004-05
Domestic Sales (Rs. Million)	5461.2	4635.3
Export Sales (Rs. Million)	156.2	143.3
Total Sales (Rs. Million)	5617.4	4778.6
Profit Before Tax (Rs. Million)	152.9	263.3
PBT as a % to Sales	2.7	5.5
Profit After Tax (Rs. Million)	88.4	178.9
PAT as a % to Sales	1.6	3.7
Return on Net Worth (%)	8.9	18.6
Net Worth per Share (Rs.)	13.9	134.2
Earning per Share (Rs.) - Basic & Diluted	1.2	24.9
Dividend per Shares (Rs.)	7.0	7.0
Dividend Cover (Times)	2.7	4.6
Return on Total Assets (%)	2.8	6.4

Company Highlights



- TS 16949: 2002 certification for Noida facility
- Shock Absorber supplies for General Motors Aveo from Chakan
- 'Best Vendor' award from Eicher Motors for Dewas facility
- Best Vendor' for quality and delivery from HMSI for Hosur facility
- Gas Shock Absorbers for Victor Edge introduced by Hosur plant
- Hosur plant commenced supplies to TVS new model motorcycle 'Star'
- Maruti Udyog recertified Noida facility and rated it among the best in QMS
- Nashik facility achieved the target of zero PPM in '0' km



manufacturing facilities across the country - seven for Ride Control Products and two for Engine Bearings. Nashik, Chakan, Dewas, Noida, Hosur and Parwanoo are all QS 9000 certified; Hosur, Dewas and Chakan plants have ISO 14001 and OHSAS 18001; Mulund ISO 9000; Hosur, Dewas, Noida, Nashik and Chakan facilities have TS 16949: 2002 edition.

With over four decades of experience, judicious investments in plant and machinery, improved process capabilities and technological upgradations, the Company is equipped with the capacity to meet stringent and high demand for quality products.

Shock Absorbers, Struts and Front
Forks catering to the requirements of all
segments of the market - OE,
Replacement and Exports - for
application in four, three and twowheelers as well as the Indian
Railways. Most of the facilities of
Gabriel India are located in close
proximity to those of its OE customers
to facilitate JIT supplies.

Gabriel India's Mulund Plant



manufactures Shock absorbers for two/three wheelers, cars, LCVs, HCVs, air suspension buses, railways and is a major supplier of shock absorbers to OEMs like M&M, Bajaj Auto, Wheels



Company Profile

Gabriel India Limited is a leading manufacturer of Shock Absorbers, Struts, Front Forks and Engine Bearings, with the widest range of Ride Control products in India. The name 'Gabriel' is synonymous with ride control products and has established a strong presence both in domestic OE as well as overseas markets.

Since its inception in 1961 with a single plant in Mulund, Mumbai, the Company has grown manifold and now has nine Ride Control Products

The seven Ride Control facilities have a combined capacity of over 10 million



TOP PHOTO: Gabriel India Annual General Meeting at Chakan

CENTRE: Mr S Sengupta, GM-Commercial Vehicles, Gabriel India receiving the 'Best Vendor' award from Mr S Sandilya, Group Chairman & Chief Executive (left) and Mr Rajesh Mittal, GM-Materials & Manufacturing (center), Eicher Motors

BOTTOM LEFT: Mr Tim Huffman, Cummins Inc., Columbus examining the bearing machining on the Autoline during his visit to Gabriel-Parwanoo BOTTOM RIGHT: Mr Lukas Folc, MD, Skoda Auto India on a visit to Gabriel-Chakan with the Anand Automotive Systems team







India and Sutlej for air suspension buses and also the Indian railways. Shock absorbers for Golf carts, Carvans & Railways are also exported from the plant.

The Dewas facility manufactures hydraulic, gas-pressurised and spring seat Shock Absorbers as well as Cartridges for passenger cars and commercial vehicles. The plant during the year recorded the highest production level of 1.99 million shock absorbers since its inception in 1992. The plant received the 'Best Vendor'

award in proprietary category in 2005 from Eicher Motors for its contribution to supply chain management for the second consecutive year.

Gabriel Dewas is the single source supplier to Tata Motors, Lucknow and the newly launched Tata Ace vehicle. The facility also has 80% share of the Shock Absorber business with Ashok Leyland. The plant has added the newly launched 1518, 2515 and 207 flat body vehicles of Tata Motors Ltd to its existing list of customers.



To ensure JIT supplies to Maruti, the first Strut plant of the Company was set up in Gurgaon. Owing to its continued focus on customer satisfaction and upgraded quality products, the plant receives technological assistance from KYB Corp, Japan to meet the stringent customer requirements.

Having undergone capacity expansion for Front Forks to meet the increasing demand of 2-wheelers in India,
Gabriel's Hosur facility now produces
0.65 million Front Forks and 2.1 million
Shock Absorbers per annum. The plant ensures JIT supplies to TVS Motor Co. at Mysore and Hosur as well as Royal
Enfield at Chennai and Honda
Motorcycle and Scooter India at
Manesar, its major customers. The plant embarked on an expansion drive to meet the growing demand for motorcycles. Owing to the commitment

Top: Mr Masao Nakamura, Director-SOQI Inc., Japan (left) handing the Gas filled shock absorbers to Mr VR Rao, Manager-Materials, TVS Motor Co., Hosur at the launch of the Gas filled Shock absorbers CENTRE: Installed a new Shock Absorber assembly line at Chakan plant to manufacture world-class Shock Absorbers for new generation passenger cars

BOTTOM: Mr Atul Kirloskar, Chairman and MD, Kirloskar Oil Engines and Mr Vikram Kirloskar, Vice Chairman, Toyota Kirloskar Motors on a visit to Gabriel-Chakan with Teep C Anand, Chairman, Anand Automotive Systems and Mr Nanal, Plant Head, Gabriel-Chakan



the requirement of Yamaha Motorcycles and a wide range of products for the Aftermarket.

The Chakan facility, located near Pune, manufactures Shock Absorbers and Struts for new generation cars with technology from KYB Corp, Japan, KYBSE Suspensions-Europe, Spain, a wholly owned subsidiary of KYB Corp, Japan and Arvin Ride Control Products, USA. The plant maintains its position as a single source supplier for Ford-Ikon, Ford-Fiesta, Hyundai-Santro, Toyota Innova, Tata Indica, GM Tavera and will start supplies to Ford B-226 (Fusion) platforms from 2006 - 2007.

for world-class vehicles, OEMs are benchmarking international practices to deliver quality and performance within cost-effective means. In view of this, the component suppliers are under tremendous pressure to not only reduce cost but also upgrade the product technology capabilities.

OEMs are developing various platforms globally, which require close coordination with our technology partner KYB Corp., Japan to develop new



to its customers, the facility has initiated TPM for continuous improvement on productivity, quality, cost and delivery. Exports to its technical collaborators - SOQI Inc., Japan and Yamaha continued, during the year.

The Nashik plant manufactures Shock Absorbers for two and three wheelers and Telescopic Front Forks for motorcycles with technological knowhow provided by SOQI, a 100% subsidiary of Yamaha Motor Company, Japan. It is a major supplier to both the OE and Aftermarket customers.

The Noida facility manufactures Shock Absorbers and Front Forks, catering to

Research and Development

Research and development has always been the hallmark of Gabriel. With increasing expectations of consumers



products for customers such as Maruti Udyog Ltd (Suzuki), Toyota and Nissan. Value added services such as CAE & Ride tuning have become a norm.

In its effort to meet the customer requirements, systematic investments have been made in manpower, enhancing hardware, software capabilities and in particular Product Validation and Testing facilities.

TOP: Mr Masao Oono, GM-Operations Planning Dept, and Mr H Hatakeyama, Staff Manager, Operations Planning Dept, Auto Component Operations, KYB Corp., Japan on their visit to the Gurgaon plant CENTRE: SOQI, Japan team on a visit to Gabriel-Noida, being welcomed at the plant. Seen in the picture are: Mr Shigeaki Nagano, Sales GM, Mr Yoshio Mabuchi, President and Ms Junko Takagi, Sales Dept, SOQI, Japan

BOTTOM LEFT: Mr Koichi Ema, Supervisor-Inspection Group, Suzuki Japan, Mr Izumi Shibuy, Head-R&D and QC and Mr Milind P Hedaoo, Manager-R&D and QC, Suzuki India on their visit to the Hosur facility





The Company has set-up a new
Product Validation Centre at its Nashik
facility to provide complete research &
development with state-of-the-art
testing and validation facility for shock
absorbers and front forks. A new highspeed durability test machine,
fabricated locally has also been
installed. These investments in R&D will
yield new product development and
strengthen its portfolio providing
impetus to the growth of the Company,
besides being the preferred choice for
the OEMs in India.

World-Class Organisation

To maintain the leadership position in Ride Control products, Gabriel India focuses on its state-of-art manufacturing technology. Strong and experienced team of specialised engineers work continuously to develop indigenous solutions to provide world-class products at low cost. In its endeavour to enhance customer satisfaction, the Technical Service Group continuously develops breakthrough solutions in process engineering thus providing improved product life.

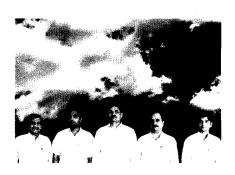
During the year, the Company made several process innovations, which led to improvement in product performance.

TOP: Mr S Sengupta, GM-Commercial Vehicles, Gabriel India presenting a memento to the ArvinMeritor team on their visit to the Dewas plant, seen from L-R: Mr Dragos Oprea, Manager-Quality Assurance, Mr Jim Barbison, Director-Worldwide Product Engineering and Mr Nelson Goncalves, Director-Business Dev & Product Mgt Suspensions and Ride Control Worldwide CENTRE: Mr Hiroshi Nakamura, Group Manager-

CENTRE: Mr Hiroshi Nakamura, Group Manage Purchasing Division, Toyota Motor Corp being welcomed at Gabriel-Chakan

Engine Bearings

Gabriel India's Engine Bearings facility was set-up in 1978 at Parwanoo (Himachal Pradesh) in collaboration with Federal-Mogul Corporation, USA, world leader in thin-walled, bimetal Engine Bearings. The plant manufactures a complete range of Bimetal Bearings, Bushes, Flanges and Thrust Washers, including manufacture of metal powder and bimetal strips. Gabriel India is a leading supplier of



BOTTOM: Gabriel-Chakan team received the Anand Engineering Excellence award for invention of New Method by using digital vision technology for detection of nodular chrome in Piston Rods



Equipped with the latest sophisticated machinery, the facilities have a combined annual manufacturing capacity of around 22.4 million pieces. The manufacturing facilities are vertically integrated from raw material to finished products in equipments which have programmable logic controllers. These include induction furnaces, tandem sinter lines, state-ofthe-art 'Autoline', automatic presses, high speed boring and broaching machines. The plating facility uses the latest logic controls and has an advanced effluent treatment plant. The testing facility includes a computerised Bearing profile analyser, atomic absorption spectrometer and other metallurgical equipment to sustain the high quality of finished products.

While the Parwanoo plant is already QS 9000 certified, the Company is also working towards a TS 16949 certification and is committed to health, safety and environment.





Collaborators

Gabriel India is in financial cum technical collaboration for Ride Control Products with ArvinMeritor Inc., USA, global provider of integrated systems, modules and components to the motor vehicle industry serving light vehicle, commercial truck, trailer and specialty original equipment manufacturers and certain aftermarkets, having an annual sales turnover of US \$ 8.8 billion.

The Company also has technical agreements with KYB Corp., Japan, KYBSE Suspensions-Europe, Spain, a wholly owned subsidiary of KYB Corp., Japan and SOQI - a 100% subsidiary



TOP LEFT: Gabriel-Chakan team received the 'Productivity' award for Capacity improvement of Rod and Strut Body Cell

CENTRE: Mr Hiroshi Ogawa, GM-KYB, Corp, Japan (centre) on a visit to Gabriel-Hosur with the Gabriel India team

BOTTOM LEFT: Team from Yamaha Motors, Japan and Yamaha Motors, India, planting a Coconut tree at Gabriel-Hosur

BOTTM RIGHT: Gabriel India team receiving the Golden Peacock National Award for 'Process Innovation' from Mrs Shiela Dixit, Hon'ble Chief Minister of Delhi

engine bearings to domestic OEMs and

automotive industry as well as other

segments such as Railways, Marine

and Power generation. The products

Responding to the growth in demand

Aluminium Tin Bearings, the Company

set-up a facility in Khandsa (Haryana) in 2003. Catering to the requirements of customers in the OE and Aftermarket segments, the Khandsa plant also manufactures large size Bearings for Railways and Bushes for automotive

from the passenger car industry for

are also being exported to several

overseas markets.

applications.

the replacement market in the



of Yamaha Motor Company, Japan. The Collaborators offer continuous support, including technical know-how and training in latest manufacturing processes along with regular visits to the Company's plants by senior technical executives of the collaborators.

Federal-Mogul, USA also continues to hold equity of a little over 5% in the Company.

Marketing Strategy

Gabriel's customer centric approach has led to its position of a market leader for RCD products and a significant presence in the Engine Bearing industry. The Company lays emphasis on trained sales personnel interacting closely with the channel partners and other decision makers in its endeavour to provide quality products. A countrywide distribution network, comprising a large dealer base built over the years is maintained to achieve successful market penetration.

Regular meets are organised by the Company to provide a platform for exchange of information with mechanics and reborers. Its all-India service network provides technical support to reborers and mechanics on product related issues. To reinforce its



strong brand image, the Company undertakes various marketing initiatives like introducing a vast product range, new product development, market penetration, sales promotion and market research activities for both the trade and various segments of vehicle owners. All this helps the Company to understand the changing business scenario and provide insights on market potential to stay ahead.

Exports

Owing to its focus on exports for Ride Control products, the Company has a



TOP: Gabriel's announcement of sponsoring a team at FISSME 2005, Mr KN Subramaniam, MD-Gabriel India with the team at the Corporate HQs of the Group BOTTOM LEFT: Team Gabriel in action

BOTTOM RIGHT: Gabriel's participation at a Mechanic meet at Trichy