

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

Gabriel India Limited

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A n n u a l   R e p o r t   2 0 0 2

# Gabriel India Limited

**Board of Directors**

Deep C Anand  
Chairman

K N Subramaniam  
Managing Director

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

**Financial Controller &  
Company Secretary**  
S Sarathi

**Bankers**

Standard Chartered  
Grindlays Bank  
Bank of India  
ICICI Bank  
Punjab National Bank

**Auditors**

Price Waterhouse & Co.

**Solicitors**

Udwadia, Udeshi & Berjis

**Corporate Offices**

1 Sri Aurobindo Marg  
New Delhi 110 016

Magnet House  
N M Marg  
Ballard Estate  
Mumbai 400 038

**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)

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)

**Registered Office**

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

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

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

**Engine Bearings**

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

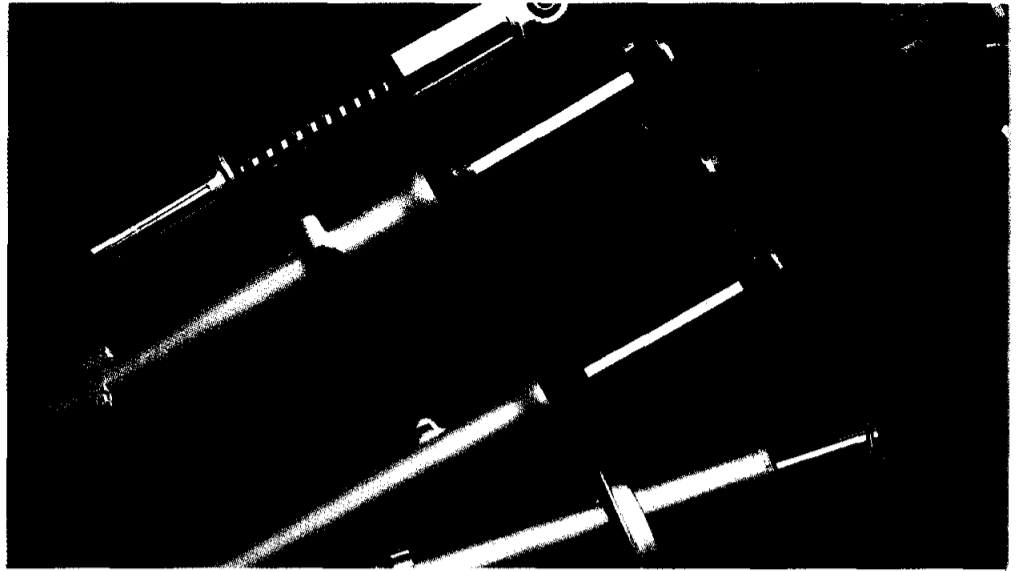


	<b>2001-02</b>	<b>2000-01</b>
Domestic Sales (Rs. Lacs)	29218	25738
Export Sales (Rs. Lacs)	1133	1096
Total Sales (Rs. Lacs)	30351	26834
Profit Before Tax (Rs. Lacs)	742	503
PBT as a % to Sales	2.44	1.87
Profit After Tax (Rs. Lacs)	396	456
PAT as a % to Sales	1.31	1.70
Return on Net Worth (%)	5.30	5.05
Net Worth per Share (Rs.)	104.68	126.39
Earning per Share (Rs.)	5.55	6.39
Dividend per Share (Rs.)	3.00	2.50
Dividend Cover (Times)	3.47	2.56
Return on Total Assets (%)	1.45	1.66

# Financial Highlights

	2000-01
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Return on Total Assets (%)	1.66

## Company Highlights



- QS 9000 Certification for Dewas and Hosur Plants
- Commenced supplies of McPherson Struts with Kayaba Design & Technology to Maruti-Suzuki from Gurgaon Plant
- Chakan Plant maintains 100% OE Status with Toyota, Ford & Hyundai
- Hosur R&D Team developed Front Forks for TVS 'Victor' motorcycle, supplies for which have commenced
- Commenced supplies of Front Forks/Shox from Nashik Plant for Yamaha motorcycle - Crux R
- Hosur Plant approved for supplies of Front Forks/Shox to Bajaj and Yamaha Motor India
- LOI received for supplies of Struts from Gurgaon Plant for new models of Maruti-Suzuki
- Sintered Strips indigenously developed by Engine Bearing Facility for Railway Application
- Chakan Plant identified as potential source for Global Supplies by several Automobile OEMs operating in India
- Capacity expansion for Inner Tube manufacturing at Chakan to meet increasing demand in 2-Wheeler segment
- Capacity expansion at both Nashik and Hosur Plants to meet rapid growth in Motorcycle segment
- 'Self Certified Vendor' status for Dewas Plant from Controllerate of Quality Assurance, Govt. of India for supplies to Central Ordnance depots



## Company Profile



Gabriel India is a leading manufacturer of Shock Absorbers, Struts, Front Forks and Engine Bearings. It is also the principal supplier to both the OE and Aftermarket segments with a sizeable presence in the overseas markets.

Established in 1961 in Mulund, Mumbai for the manufacture of shock absorbers, Gabriel India today has the widest range of Ride Control Products. Its brand - Gabriel - is the market leader and synonymous with shock absorbers. The Company has seven manufacturing locations across the country - six for Ride Control Products and one for Engine Bearings. Its facilities in Nashik, Chakan, Dewas and Hosur are all QS 9000 certified with four plants also having ISO 9002 certification. Gabriel was the first company in India to receive the ISO certification for shock absorbers, struts and front forks as far back as 1993.

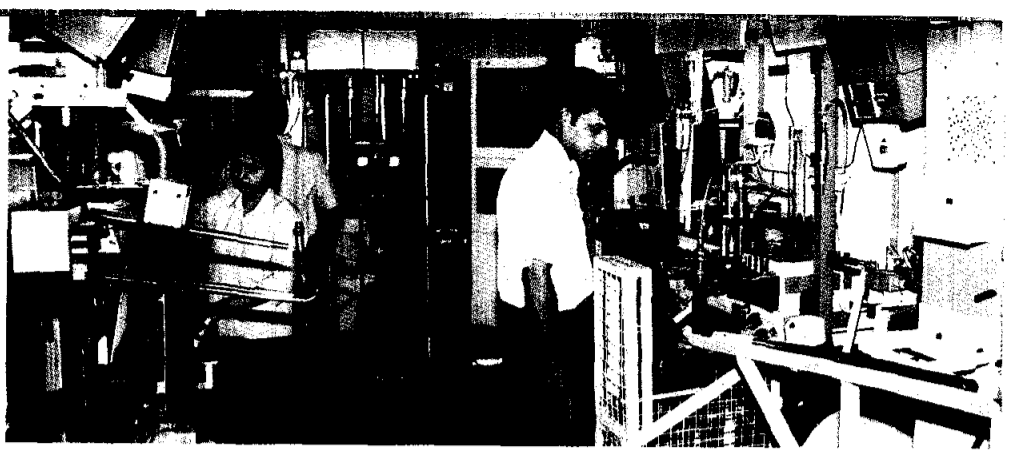
Gabriel India is today uniquely positioned to meet the demand for high performance products owing to the timely investments in capacity expansion and upgradation of assets and technology, coupled with four decades of experience.



TOP: Gabriel India's Annual General Meeting, the first at Chakan

CENTRE: Gabriel Dewas Team, proud of its QS 9000 Certification

BOTTOM: QS 9000 for Gabriel Hosur, Mr K N Subramaniam, MD - Gabriel India, receiving the Certificate from Mr Guido Ingwer, MD - TUV Rheinland (I) Pvt. Ltd.



## Ride Control Products

The six Ride Control facilities of Gabriel India are located in Mulund, Dewas, Gurgaon, Hosur, Nashik and Chakan (Pune). With a combined manufacturing capacity of over 10 million Shock Absorbers, Struts and Front Forks, these plants cater to the requirements of all markets - OE, Replacement and Exports for application in four, three and two-wheelers, besides the Indian Railways.



To ensure JIT supplies, all facilities of the Company are located in close proximity to those of its OE customers. Gabriel India's first Strut plant was set up in Gurgaon primarily to cater to the requirement of Maruti-Suzuki. Today this facility is also manufacturing 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. With various initiatives taken towards quality improvements, the Gurgaon plant has achieved the lowest warranty levels ever, with Maruti-Suzuki.

The Company's Dewas facility manufactures Hydraulic and Gas-pressurised Shock Absorbers as well as Cartridges for passenger cars and commercial vehicles. The plant continues to maintain single source OEM supplier status with Hindustan Motors, Bajaj Tempo, Eicher Motors and Swaraj Mazda. A major supplier to all Telco and Ashok Leyland plants for the MUV, LCV and HCV segments, the Dewas plant also meets 60% of the Aftermarket requirement of hydraulic, gas-charged and spring seat shock absorbers for the conventionally-designed four/three wheelers and scooters. During the year, besides receiving the QS 9000 certification as well as the 'Self Certified Vendor' status from Controllerate of Quality Assurance, Govt. of India for supplies to Central Ordnance depots, the Dewas plant also achieved 100% supplier status for shock absorbers to Vehicle Factory, Jabalpur.

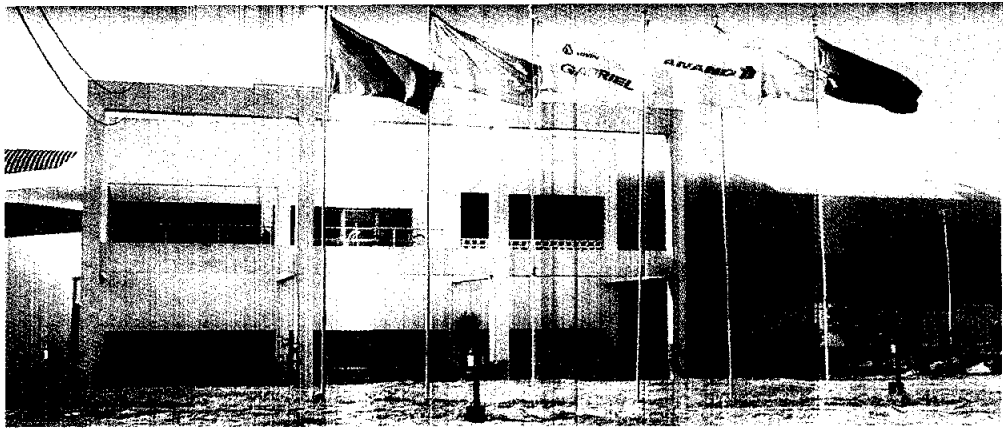


The Nashik plant, a major supplier to both the OE and Aftermarket customers, manufactures Shock Absorbers for two and three wheelers in addition to Telescopic Front Forks for motorcycles with technology provided by SOQI, a 100% subsidiary of Yamaha Motor Company, Japan. Its OE customers include Bajaj Auto, Honda Motorcycle & Scooter India, Kinetic, LML, TVS Motor Co. and Piaggio. To meet the rising demand for front forks, two outer tube cells

TOP: The Kayaba Line for manufacture of Struts at Gurgaon plant

CENTRE: Visit of GM Parts Team to Gabriel-Dewas: Mr Larry W Habitz, Lead Global Channel Buyer and Mr Fue Kue, Associate Product Specialist, seen with Gabriel employees

BOTTOM: Yamaha Motor India Team visits the Nashik facility

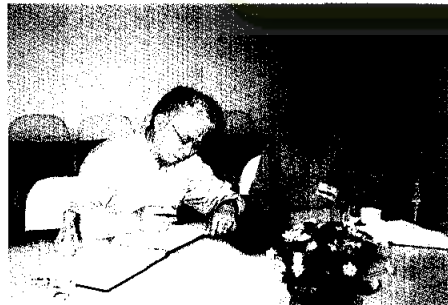


and an assembly line have been added. During the year, with the commencement of business with Yamaha, the plant has become a key supplier for front forks. In addition, volumes to Bajaj - its major customer - also increased substantially. A major accomplishment during the year was the highest ever growth achieved by the plant.



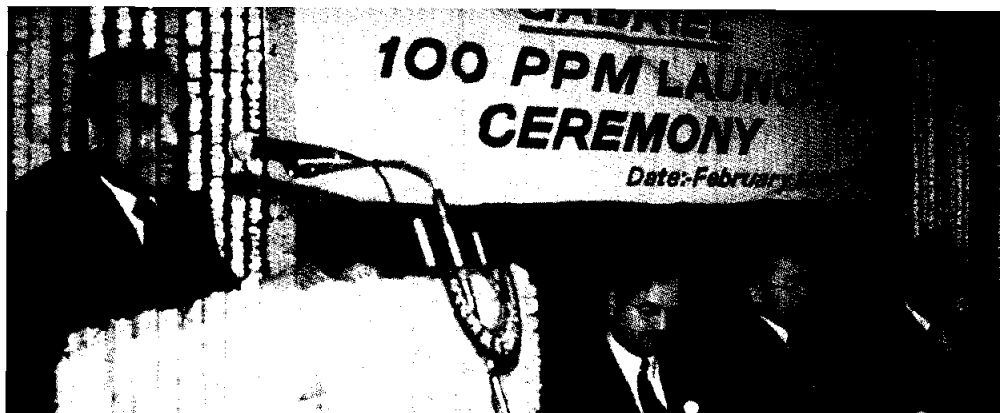
Gabriel's Chakan facility, near Pune, manufactures Shock Absorbers and Struts with technology from Kayaba-Japan, APA-Kayaba, Spain and Arvin Suspension System Italia of Italy for new generation cars. This advanced technology and in-house expertise have enabled the facility to maintain 100% OE status with major customers like Ford, Hyundai and Toyota, and also receive inquiries from Toyota, Ford and General Motors for their new launches in the MUV segment. During the year, the Chakan facility reached the highest volumes in production with 7 lac units including 3.75 lac struts. It also added capacity for manufacture of inner tubes to supplement the increasing demand for the Company's products for two-wheelers.

Gabriel's Hosur facility was set up to meet the Shock Absorber and Front Fork requirement of motorcycle, scooter and three-wheeler manufacturers. Today the plant manufactures 1 million shock absorbers and 1.72 lac front forks. A QS 9000 certified facility, it is a major supplier - on JIT basis - to both plants of TVS Motor Co. at Mysore and Hosur. To meet the growing demand for various motorcycles, the plant has embarked on a major capacity expansion.



During the year, the Hosur plant developed 16 applications of shock absorbers and 5 of front forks for the domestic market in addition to 8 applications for exports. A major achievement of this facility for the year has been the indigenous development of front forks and rear shock absorbers for 'Victor' motorcycle of TVS Motor Co. Additionally, the plant has been approved as a supplier to Bajaj Auto as well as to Yamaha Motor India for their front fork and rear shock absorber requirement. The plant has also commenced supplies of front disc brake leg assembly to Brakes India.

TOP: View of the Hosur facility  
CENTRE: Mr C P Raman (2nd from left), President-TVS Motor Co., at the Hosur plant  
BOTTOM: Mr T Yoneda (left) from Yamaha Motor India Pvt. Ltd., at the Hosur facility



## Stallion Shox Limited



An acquisition of Gabriel India, Stallion Shox restarted commercial production in August 1997. The Company, which was earlier located in Surajpur, has now been relocated to Noida, also in the state of Uttar Pradesh. QS 9000 certified in August 2001, the plant is well equipped to manufacture quality shock absorbers. During the year, the Company manufactured 2.77 lac shock absorbers, reflecting a drop in production compared to the previous year due to relocation of operations which had to be suspended for a period of four months. However, the Company expects to take the production to over 5 lac units during 2002-03.

Owing to emphasis on quality and customer service, the Company's products have gained recognition and respect in the market. Stallion Shox is an OE supplier to LML and is pursuing opportunities for supply to other two and four wheeler OEMs in the northern region.

## World-Class Expertise



Gabriel India has technical and financial collaboration with Gabriel Ride Control Products, USA, a part of ArvinMeritor Inc. - a global provider of integrated automotive systems, modules and components for original equipment manufacturers and related aftermarkets with annual sales turnover of about US \$ 7 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. These collaborators have been providing technical support by way of visits of their executives to Gabriel India facilities. Engineers from the Company also visit the plants of some of these collaborators to learn about the latest manufacturing practices and their work culture.

TOP: Chakan Plant's '100-PPM Programme' Launch, inaugurated by Mr BO Lee, Executive Director-Purchase, Hyundai Motor India Ltd.

CENTRE: Suzuki Team, Japan at the Nashik facility

BOTTOM: SOQI Team from Japan on a visit to the Nashik Plant



## Research and Development

In order to meet the demands of its OE customers for cost competitive and quality products of global standards, Gabriel India has made Research and Development a key focus area.

During the last few years, the Company has made substantial investments in R&D and technical expertise. Its state-of-the-art R&D centre at Chakan, near Pune, has ultra-modern facilities to cater to the requirements of its customers. This Centre provides valuable inputs to all plants of the Company in several areas including cost reduction through localisation efforts, value engineering and improving product build quality by analysis of root causes of customer claims.

Gabriel India is also addressing a prime concern area like noise in passenger car compartment. For this, the R&D centre has acquired sophisticated test equipment for measurement, analysis and simulation of noise.



For two wheelers, Gabriel India has a dedicated R&D team based at the Hosur facility, which is equipped with modern testing equipment such as coil spring endurance, cam drum, bump test rig, muffler furnace and servo hydraulic resistance checking. To provide complete suspension solutions for better ride comfort, the R&D team works closely with its customers to ensure 100% participation right from inception to production.

With a view to enhance exports, the R&D centre has also developed shock absorbers for various applications.

## Engine Bearings

Gabriel India's Engine Bearing 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 has a fully integrated facility for the manufacture of a complete range of Bimetal Bearings, Bushes, Flanges and Thrust Washers.

ISO 9002 certified, this plant has an annual manufacturing capacity of 20 million pieces and is equipped with an in-house chemical and metallurgical

TOP: Hyundai Motor India Team at the Pune facility

BOTTOM: L-R: Mr H Fujio and Mr H Tsuchiya from SOQI, Japan, at the Hosur facility