

# 2002-2003

# Gabriel India Limited

annual report 2003

GA

**GABRIEL**

# COMPANY PROFILE & FINANCIALS

# 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)  
Jaithirth Rao

**Financial Controller &  
Company Secretary**  
S Sarathi

## Bankers

Standard Chartered Bank  
Bank of India  
ICICI Bank  
Punjab National Bank

## Auditors

Price Waterhouse & Co.

## Solicitors

Udwadia, Udeshi & Berjis

Report Junction.com

## 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 Highway  
Gurgaon 122 001 (Haryana)

B-2, MIDC  
Ambad Indl. 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

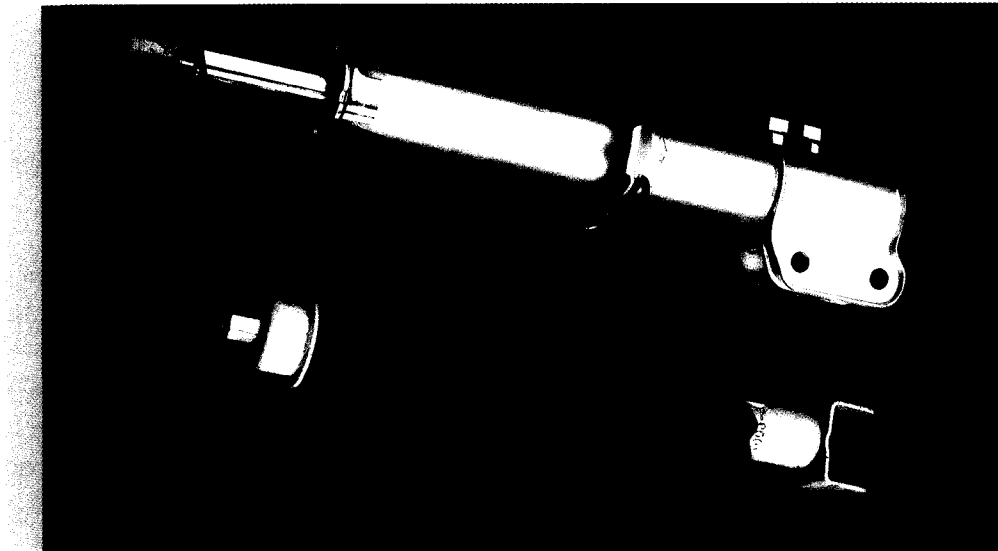
Plot No. 5, Sector II  
Parwanoo 173 220  
(Himachal Pradesh)

**ANAND** >>

## Financial Highlights

	2002-03	2001-02
Domestic Sales (Rs. Million)	3632.27	2967.51
Export Sales (Rs. Million)	121.26	113.25
Total Sales (Rs. Million)	3753.53	3080.76
Profit Before Tax (Rs. Million)	203.35	74.17
PBT as a % to Sales	5.42	2.41
Profit After Tax (Rs. Million)	117.26	39.62
PAT as a % to Sales	3.12	1.29
Return on Net Worth (%)	16.22	5.29
Net Worth per Share (Rs.)	101.34	104.68
Earning per Share (Rs.) - Basic	16.44	5.55
Earning per Share (Rs.) - Diluted	16.31	5.55
Dividend per Share (Rs.)	5.00	3.00
Dividend Cover (Times)	5.06	3.47
Return on Total Assets (%)	4.38	1.45

## Company Highlights



ISO 14001 and OHSAS 18001 certifications for Dewas, Hosur and Chakan plants

ISO 9001 certification for Mulund plant

Capacity expansion at Hosur and Nashik facilities to cater to rapid growth in demand for motorcycles

Commenced supplies of Shock Absorbers and Front Forks from Noida plant for Yamaha motorcycles - Crux R and Libero

Commenced exports of Shock Absorbers to SOQI Inc., Japan from Hosur plant

Commenced supplies of Shock Absorbers for Honda Activa scooters from Hosur facility

Commenced supplies of Shock Absorbers and Front Forks for LML Freedom motorcycle from Nashik facility

Chakan plant selected as source for supply of Shock Absorbers for General Motors' new platform, Isuzu Panther

Chakan plant maintains 100% OE status with Toyota, Hyundai & Ford

Merger of Stallion Shox Ltd. with Gabriel India

New facility at Noida became operational with relocation of unit from Surajpur

LOI received for supply of Shock Absorbers from Chakan and Noida plants for various models of Maruti Suzuki

Hosur plant received the 'National Peacock Award 2002' for innovative products and services

Nashik plant received 'Value Engineering Merit Award' and 'Best Vendor for 2002' from Yamaha Motor India Pvt. Ltd.



is the market leader and synonymous with shock absorbers in India. The Company has eight manufacturing locations across the country - seven for Ride Control Products and one for Engine Bearings. Its facilities in Nashik, Chakan, Dewas, Noida and Hosur are all QS 9000 certified with the Hosur, Dewas and Chakan plants also having ISO 14001 and OHSAS 18001 certifications. In fact, Gabriel was the first company in India to receive the ISO 9002 certification for shock absorbers, struts and front forks, as far back as 1993.

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

## Company Profile

A leading manufacturer of Shock Absorbers, Struts, Front Forks and Engine Bearings, Gabriel India is the country's principal supplier of Ride Control products to both the OE and the Aftermarket segments. It also has a sizeable presence in overseas markets.

Established in 1961 in Mulund, Mumbai, Gabriel India today makes the nation's widest range of Ride Control products. Its brand - Gabriel -

## Ride Control Products

The seven Ride Control facilities of Gabriel India are located in Mulund, Dewas, Gurgaon, Hosur, Nashik, Noida and Chakan, near 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, as well as the Indian Railways.

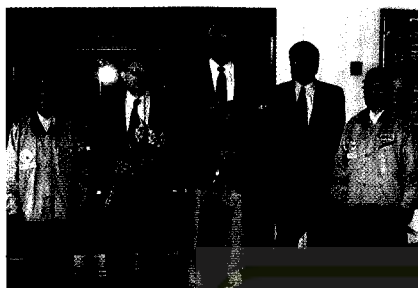
Gabriel India's first plant was set up in 1961 at Mulund for the manufacture of Shock Absorbers. Today, this plant is a supplier for all kinds of two/three wheelers, cars, LCVs and HCVs. It also manufactures shock absorbers for the Railways as well as air suspension shock absorbers for buses manufactured by Ashok



TOP: At Gabriel India's Annual General Meeting at Chakan  
BOTTOM LEFT: ISO 14001 & OHSAS 18001 for Hosur facility. Seen is Mr K N Subramaniam, Managing Director-Gabriel India (2<sup>nd</sup> from right), receiving the certifications from Mr T Hoppner, MD-TUV Rheinland

BOTTOM RIGHT: Mr KN Subramaniam congratulates members of Gabriel-Dewas on receiving the ISO 14001:99 & OHSAS 18001 certifications





Leyland and Sutej, to name a few. In addition, the plant has a major share with OEMs like M&M and Bajaj Auto. During the year, besides receiving the ISO 9001:2000 certification, the Mulund plant also received a prestigious order from the Indian Railways for supply of shock absorbers for their new generation LHB coaches.

The Company's Dewas facility manufactures Hydraulic and Gas-

pressurised Shock Absorbers as well as Cartridges for passenger cars and commercial vehicles. The plant is a single source supplier to OEMs such as Hindustan Motors, Bajaj Tempo, Eicher Motors and Swaraj Mazda. In the past one year, the focus on equipment and product quality upgradation has resulted in this facility establishing itself as the preferred supplier for Telco with a major share of business in the MUV, LCV, HCV and SUV segments. In addition, the Dewas plant also meets the requirement of Ashok Leyland Ltd. as well as that of the Aftermarket

for hydraulic, gas-charged and spring-seat shock absorbers for conventionally designed four/three-wheelers and scooters. During the year, this plant was certified for ISO 14001:1996 certification for Environment Protection as well as OHSAS 18001:1999 for Health and Safety Standards.

To ensure JIT supplies, all facilities of Gabriel India are located in close proximity to those of its OE customers. The Company's first Strut plant was set up in Gurgaon primarily to cater to the requirement of Maruti Suzuki. For over two years now, this facility has been manufacturing Struts with technology assistance from Kayaba, Japan and has established itself as a top quality producer with Maruti Suzuki. With several initiatives taken towards customer satisfaction in the last year, the plant is all set for further growth.



TOP: Senior executives from Hindustan Motors Ltd. at the Dewas facility: Mr AS Narayanan, Managing Director (centre) and Mr B S Khargonkar, Sr Vice President, PU Plant, Pithampur (left)

CENTRE: Mr P M Telang, Sr VP, Telco-Pune, and Mr A P Arya, Sr VP, Telco-Jamshedpur (3<sup>rd</sup> and 4<sup>th</sup> from right respectively), during their visit to Dewas facility  
BOTTOM: Kayaba Line in the Strut plant, Gurgaon



applications for exports. Other achievements during the year were commencement of exports to SOQI Inc., Japan, receiving of ISO 14001:1996 and OHSAS 18001:1999 certifications, 'Quality Circle Award' from NIQR chapter and the 'National Peacock Award 2002' for innovative products/services. The plant is currently working on TPM implementation for continuous improvement on Productivity, Quality, Cost, Delivery, Safety and Morale (PQCDM).

Gabriel's Hosur facility, set up to meet the growing demand of Shock Absorbers and Front Forks for motorcycle, scooter and three-wheeler manufacturers, today produces 14 lac shock absorbers and 5.2 lac front forks a year. The plant is a major supplier - on JIT basis - to both plants of TVS Motor Co. at Mysore and Hosur as well as to Royal Enfield at Chennai and to Honda Motorcycles and Scooters at Gurgaon.

During the year, the Hosur plant developed 20 applications of shock absorbers and 4 of front forks for the domestic market in addition to 8

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.



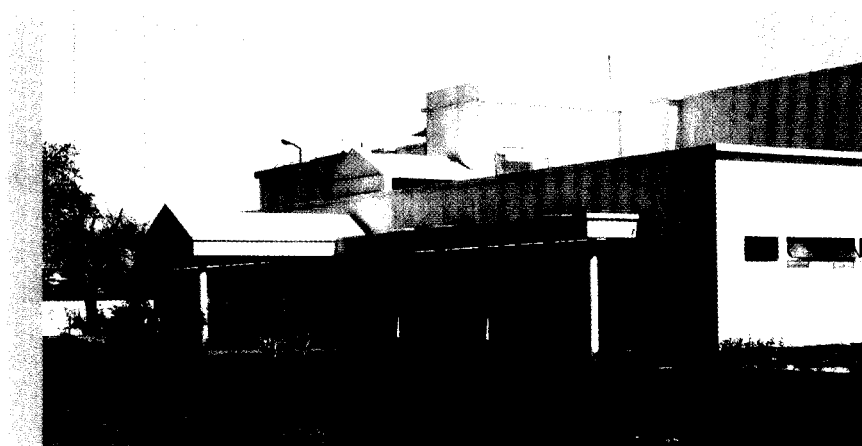
During the year, the Nashik plant has shown a 20% increase in the volume of business for front forks, owing to new business opportunities from Yamaha, Bajaj Auto and LML. The plant has also won several awards during the year, including the 'Value Engineering Merit Award' and the 'Best Vendor for the Year 2002' from Yamaha Motor India Pvt. Ltd., in addition to the 'Appreciation Award' at the International Convention of Quality Circles.



TOP: On a visit to the Hosur facility, Mr Siddharth Lal, CEO - Royal Enfield, Chennai, examining a shock absorber

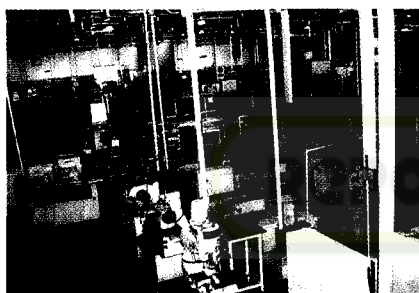
CENTRE: Mr M Shibuya, Managing Director, Yamaha Motor India Pvt. Ltd., inaugurating the 7<sup>th</sup> Outer Tube Cell in the Hosur plant

BOTTOM: From TVS Motor Company: Mr PC Mathew, Executive VP and Mr BLP Simha, VP, at the Gabriel Hosur facility (2<sup>nd</sup> and 3<sup>rd</sup> from left respectively), during the TPM drive



cater to the growing requirement of its customers. It is also pursuing opportunities to supply to other two and four-wheeler OEMs in the northern region.

facility added new businesses, General Motors and Toyota Kirloskar (in the MUV segment), and Maruti Udyog (for rear shock absorbers) for their 800, Zen, Alto and Wagon R models.



The Noida plant has been established by relocating the manufacturing facility from Surajpur on the merger of Stallion Shox Limited with Gabriel India Limited during the year. The plant is a supplier of Shock Absorbers and Front Forks to Yamaha on daily basis and also meets the entire Shock Absorber requirement of LML scooters. In the last one year, the plant substantially increased production of shock absorbers to

Gabriel's Chakan facility, near Pune, manufactures Shock Absorbers and Struts for new generation cars with technology from Kayaba-Japan, Arvin Ride Control Products, USA and their subsidiary, APA-Kayaba, Spain. The plant is a single source supplier to OEMs such as Ford, Hyundai and Toyota. During the year, the Chakan

During the last year, the plant also received the ISO 14001:1996 and OHSAS 18001:1999 certifications from BVQI. It is currently working to achieve a defect level of less than 100 PPM for all leading customers through the 'Achieve 100 PPM' programme, championed by Hyundai Motors India.



TOP: A view of the Noida facility  
CENTRE: Shopfloor at Noida plant

BOTTOM: A proud Nashik team on receiving the 'Value Engineering Merit Award' from Yamaha Motor India Pvt. Ltd





Pune, has modern facilities for testing. Today, this R&D centre is fully equipped to do all testing and validation for domestic products as required by global customers. Continuous testing, benchmarking and product auditing have led to improvements in the Company's product designs and provided valuable inputs for process improvements.

The Chakan centre is now further upgrading its test facilities to prepare for exports to the European market through Hyundai Motor India and Telco. Exports to Europe require stringent special tests for sub-zero temperature durability and high salt-spray life for paint coatings.



bump test rig and a muffle furnace, among others. During the year, this R&D centre inducted designers, created special performance and validation testing facilities to meet the demands of its OE customers and carried out Vehicle Instrumentation exercises with OEM customers to map ride comfort.

## Research and Development

Competence in product engineering and modern test facilities for product validation have become key factors for manufacturing companies today, not only to gain new business over intense competitive pressure, but also to improve current products to achieve global standards of quality.

During the last few years, Gabriel India has made substantial investments in R&D and technical expertise. Its state-of-the-art R&D centre at Chakan, near

For two-and three-wheelers, Gabriel India has a dedicated R&D Centre at the Hosur facility, which is equipped with modern testing equipment such as cam drum / stroking and coil spring machines, servo hydraulic test system,

At the Hosur centre, the interaction with the customer has been refined to reduce the lead-time on new product development, which is now done jointly with the customer from inception to production.



TOP: Mr K Sakuramoto, President-SOQI, Japan, inaugurating the R&D Design Centre at the Hosur facility  
CENTRE: Chakan facility

BOTTOM LEFT: Mr KN Subramaniam, Managing Director-Gabriel India, explains about the product range to the Deming Examiners' Team on visit to TVS from JUSE, Japan

BOTTOM RIGHT: MG Rover team from UK (centre) at the Chakan plant



## 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.

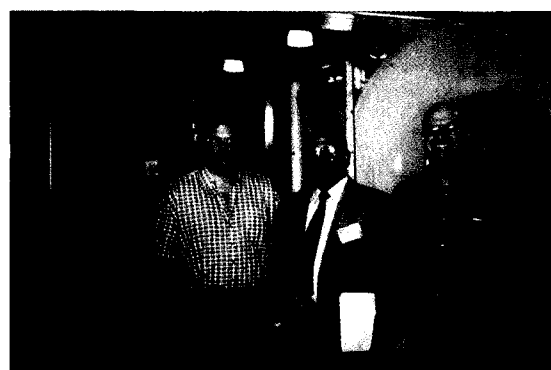
QS 9000 certified during the year, this plant has an annual manufacturing capacity of 20 million pieces and is equipped with an in-house chemical and metallurgical laboratory, a non-ferrous powder foundry, sinter lines, semi-automatic presses, high speed broaching machines and an automatic electroplating facility. To maintain the high quality of its products, the plant

also has sophisticated testing facilities including a computerised Bearing Profile Analyzer and other metallurgical equipment.

Another feature of the Engine Bearing facility is the state-of-the-art 'Autoline', imported from Federal-Mogul, USA. This fully automatic line, with a logic control system, caters to the passenger car and commercial vehicle segments. The plant is also equipped with a semi-automatic line for the manufacture of copper-lead and aluminium-tin bearings as well as a medium-sized bearing line for Cummins.

Considering the growing demand from passenger car industry, the Company is putting up a new facility at Khandsa, near Gurgaon, for manufacture of Aluminium Tin Bearings to cater to the growing needs of OEMs and Aftermarket customers.

Equipped with a CNC-controlled Profile Milling Machine, the Engine Bearing facility also manufactures a complete range of Large Size Bearings - with German technology - for application in the Railways, Marine, Power Generation and Industrial segments.



TOP: Federal-Mogul team on a visit to Gabriel's Engine Bearing facility (starting 2<sup>nd</sup> from right): Mr JC Lenzi, Director-Industrialization & Projects, Mr James Carpenter-Senior Metallurgical Technician, Mr Barry E Schwab, International Business Manager-Powertrain Systems and Mr Ron

BOTTOM: Mr S Babu and Mr V Verma from Gabriel India's Engine Bearing plant (2<sup>nd</sup> and 4<sup>th</sup> from right respectively) during their visit to Federal-Mogul facility, USA