

Gabriel India Limited

annual report 2009

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Gabriel India Limited

Deep C Anand
Chairman Emeritus

Board of Directors
Prakash Kulkarni
Executive Chairman

Arvind Walia
Managing Director

Russi Jal Taraporevala
Ravi K Sinha
Padmini Khare Kaicker
Rajeev Vasudeva
Deepak Chopra
Rakesh Sachdev

VP & Head of Finance
Alok Agarwal

Company Secretary
Anshul Bhargava

Bankers

ABN Amro Bank
Axis Bank
Bank of India
ICICI Bank
IndusInd Bank
ING Vysya Bank
Standard Chartered Bank
State Bank of India

Auditors

Price Waterhouse & Co.
Building No. 8, Tower B
DLF Cyber City,
Gurgaon - 122 002

Solicitors

VD Wadia & U Deshi
Elphinstone House,
1st Floor, 17, Mezboun Road,
Opp Sterling Theatre,
Mumbai

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)
Tel: 09922908401-04
Fax: 02135-261200
mail: secretarial@
gabriel.co.in

Sales Office

10, Prasad Chambers
Opera House
Mumbai 400 004

Manufacturing Facilities

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

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

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

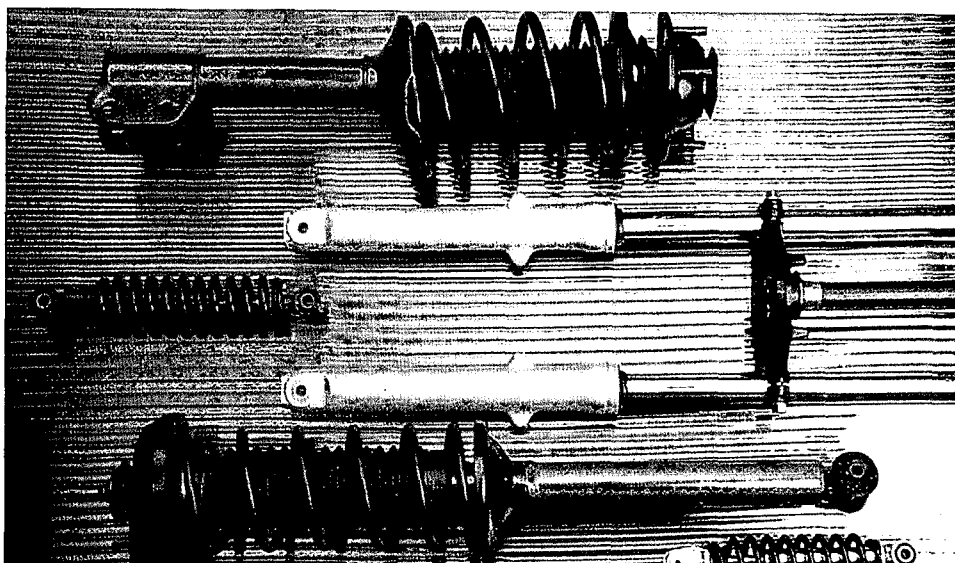
38 KM Stone Behrampur Road,
Khandasa, Gurgaon - 122 001
(Haryana)

ANAND 
automotive systems

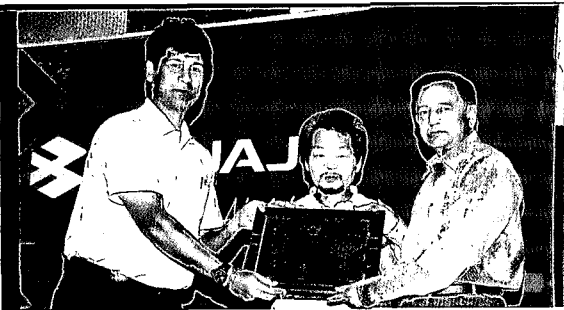
Financial Highlights

	2008-09	2007-08
Domestic Sales (Rs Million)	5758.1	5344.5
Export Sales (Rs Million)	109.1	72.2
Total Sales (Rs Million)	5867.2	5416.7
Profit Before Tax (Rs Million)	72.3	123.6
PBT as a % to Sales	1.2	2.3
Profit After Tax (Rs Million)	56.1	76.5
PAT as a % to Sales	1.0	1.4
Return on Net Worth (%)	4.2	5.8
Net Worth per Share (Rs)	18.4	18.5
Earning per Share (Rs) -Basic & Diluted	0.8	1.1
Dividend per Share (Rs)	0.7	0.7
Dividend Cover (Times)	1.1	1.6
Return on Total Assets (%)	1.3	2.0

Company Highlights



- ☐ Commenced commercial production at Gabriel-Khandsa
- ☐ Supplies started for Tata Nano from Dewas facility
- ☐ Set-up of the Chrome plating facility at Gabriel-Khandsa
- ☐ Additional facility setup in Chakan to service the Commercial vehicle segment
- ☐ Set-up of the Aluminium casting facility at Chakan



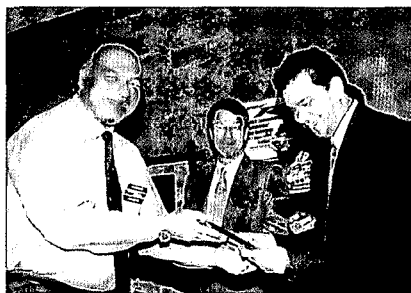
with a single plant in Mulund, Mumbai, the Company has grown manifold since then and has six manufacturing facilities across the country.

Facilities

The six facilities spread strategically across the country facilitate just-in-time supplies to its customers and optimise the availability of materials having a combined capacity of over 18 million Shock absorbers, Struts and 2.5 million Front forks to service the requirement of - OE, Replacement and Exports - for application in four, three and two-wheelers as well as the Indian Railways.

Company Profile

Gabriel India Limited, leader in the Indian auto component industry, manufactures Shock absorbers, Struts and Front forks with the widest range of Ride Control products in India, catering to Passenger cars, Utility vehicles, Commercial vehicles and two-wheelers. Sold under the renowned brand 'Gabriel', the products have established a strong presence both in domestic OE as well as overseas markets and the brand is synonymous with Shock absorbers. Commencing operations in 1961



BOTTOM LEFT: Mr Arvind Walia, MD, Gabriel India, giving a memento to Mr Sanjeev K Yogi, Dept Head-Purchase, India Yamaha Motor Pvt Ltd, for the Company's support at a Meet organised by Gabriel India. Also seen is Mr Tsuji, President & MD, India Yamaha Motor Pvt Ltd

Four Wheelers – Passenger Car Segment

Chakan (Pune)

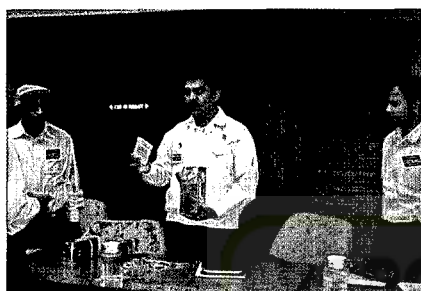
The Chakan facility was set up in 1997 having annual production capacity of 2.7 million, Struts and Shock absorbers, servicing all Passenger car OEMs like Tata Motors, Hyundai, Renault, General Motors, Ford, Maruti Suzuki etc.

The facility is equipped to manufacture products based on latest technologies from KYB Corporation, Japan and KYBSE, Spain, meeting the requirements of European, Japanese and Korean OEMs.



BOTTOM RIGHT: Mr Diwakar Bhatt, DGM, Gabriel India and his team were awarded the Anand Engineering Excellence award for the project 'Canister-Rear Gas Shox, receiving the award from Mr Deepak Chopra, CEO, Designate, Anand Automotive Systems and Mr KN Subramaniam, Member-Anand Policy Committee

TOP: Mr CS Patel, CEO, Anand Automotive Systems receiving the Bajaj TPM & Quality award from Mr Rajiv Bajaj, MD, Bajaj Auto Limited. Also seen is Mr Yamaguchi, TPM Consultant (centre)



The plant is certified for TS 16949, ISO 14001 and OHSAS 18001 and also meets the quality requirements of the international and Indian customers like Renault, Volkswagen, Ford, GM and Hyundai.

Khandsa (Gurgaon)

The Khandsa facility, a benchmark plant for Ride Control products in India, commenced production in

April 2008. Set up with most modern equipment and processes including, for the first time in the Company, in-house facility for E-coating and Chrome plating. The dyna chrome technology for Chrome plating of Piston rods, sets a high standard in this technology and has been introduced for the first time in South East Asia. The plant supplies Shock absorbers and Struts to Maruti Suzuki. It has a production capacity of 2.5 million units.



TOP : L-R - Prof. Prem Kumar Dhumal, Chief Minister, Himachal Pradesh, Mr Deep C Anand, Chairman, Anand Automotive Systems, Dr Rajeev Bindal, Health Minister, Himachal Pradesh, Mr KC Anand, Trustee, Deep C Anand Foundation and Mr Prakash Kulkarni, Executive Chairman, Gabriel India after unveiling the Plaque on the occasion of the inauguration of the Parwanoo plant

Centre : Mr SG Kate, TPM Coordinator, Bajaj Auto Limited, releasing the TPM Policy at Gabriel-Nashik facility

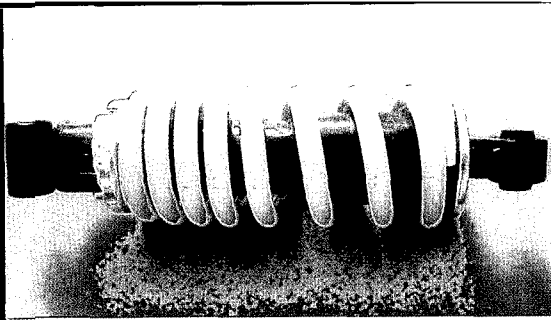
Commercial Vehicles

Dewas

Set up in 1992, the plant has a production capacity of 4 million nos. of Shock absorbers, meeting the requirements of Commercial vehicles, supplying to OEMs like Tata Motors, Eicher, M&M, Force Motors, Ashok Leyland and others. The Plant has a continuous focus on development of products to meet the requirements of damping forces in the vehicles.

The Dewas facility is certified for QS9000, ISO14001, OSHAS18001, TS16949 and has successfully implemented Toyota Production System, expecting to have

BOTTOM: Mr Jose Antoinio, GM-Suppliers & Logistics, Ms Maria Fernanda, President and Mr Carlos Juri, President, Co-exito, SA, on a visit to Gabriel-Hosur

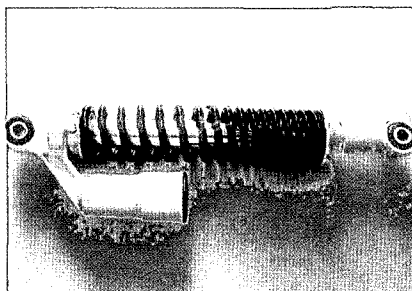


also has the wherewithal to manufacture new generation products for Indian Railways.

Two-wheelers

Ambad (Nashik)

The Nashik facility was set-up in 1990 to manufacture Shock absorbers and Front forks for two-wheelers - scooters and motorcycles - with technology partner, Yamaha Motor Hydraulic Systems, a 100% subsidiary of Yamaha Motor Company, Japan. The plant has a manufacturing capacity of 2.4 million Shock absorbers and 0.6 million Front forks supporting domestic OEMs like Bajaj, Yamaha, Piaggio and is quality certified for TS16949 and has successfully implemented TPM.



TOP: NewTwin Shox Dia 30 mm developed for India Yamaha Motor, during the year

CENTRE: New Shox developed with Dia 20mm Monotube Canister for TVS Motor Company for the Indonesia plant

significant increase in productivity and quality through TPS implementation. The plant has recently started supplies for the TATA-Nano.

Chakan (Pune)

Anticipating growth and demand in Commercial vehicle segment, the Company has set up an additional facility at Chakan, Pune, having a combined manufacturing capacity of 1.2 million nos. of Shock absorbers and Struts. This plant is planned to meet requirement of the customers from west India – Bajaj Auto and Tata Motors. The plant

Hosur

The plant, set-up in 1997, manufactures 2 million Shock absorbers and half a million Front forks for the two/three-wheeler industry, ensuring supplies to OEMs-TVS, Suzuki, HMSI, Yamaha and others. The plant is equipped with the capacity and high level of competency for developing new products with the technology support from Yamaha Motor Hydraulic Systems and KYB Corp., Japan. The products manufactured at this facility are exported to Yamaha Motor Hydraulic Systems, Japan for the Japanese market and supports TVSM, Indonesia for its products launched in Indonesia.

Parwanoo

Set-up in 2007 to meet the requirements of the replacement market and optimise the benefits available under special scheme of Govt. of India for hilly regions including Himachal Pradesh, the Plant manufactures Shock absorbers and Struts for



Commercial vehicles, Passenger cars and Front forks for 2-wheelers.

Casting Facility

The Company's initiative to set up an Aluminium Casting facility within the Chakan campus has been completed. This Casting facility will provide Outer tubes required to make Front forks, that will be manufactured with the technical support from KYB Corp., Japan. The facility has developed competency to manufacture, for the first time in India, product from a specialised alloy to meet critical requirements of high end motorcycles. The manufacturing is scheduled to commence by July, 2009.

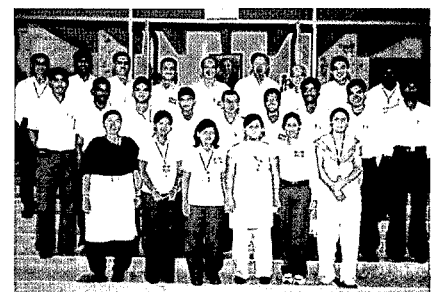
Research & Product Development

With judicious investments and requisite focus, the Company has created a pool of resources - people and infrastructure - to develop new products, subject the new developments through various tests to check and enhance capability. The Company's R&D division is located in Chakan, Pune, focusing on 4-wheelers - Passenger cars and Commercial vehicles - while the R&D facilities at Hosur and Ambad focus on 2-wheelers. The Company provides adequate facilities like that of the Ride Tuning Van to provide concurrent Ride Tuning services.

Value added services like CAE - Computer Aided Engineering - are also provided to enhance product performance.

Technical Support Group

The Company has a centralised Technical Support Group supporting all Gabriel plants, focusing on development and production of equipments, plant setup and to optimise and



TOP: Gabriel India team members posing at the Gabriel booth at the Technology Day organised at Bajaj Auto

BOTTOM RIGHT: Mr CS Patel, CEO, Anand Automotive Systems with the Anand participants (Operating Engineers) at Anand 'U'-Bangalore posing for a photo after the completion of training at NTT, Bangalore



of a broad range of integrated systems, modules and components to the motor vehicle industry. ArvinMeritor marks its centennial anniversary in 2009, celebrating a long history of 'forward thinking.' ArvinMeritor serves commercial truck, trailer and specialty original equipment manufacturers and certain aftermarkets, and light vehicle manufacturers.

The Company also has Technical collaboration with KYB Corporation, Japan and KYBSE Spain, established in 1919 in Japan, a renowned manufacturer of Ride Control Products in Japan, supplying to well known vehicle manufacturers globally. Other technical collaborator of the Company is Yamaha Motor Hydraulic Systems, Japan, a 100% subsidiary of Yamaha Motors, Japan, specialising in the manufacture and sale of Shock absorbing components for automobiles.

The collaborators extend continuous support to the Company, which helps in offering requirement specific technology

solutions to different international OEMs for all three segments of the Automotive Industry.

Exports

Though not meeting the Company's expectations, the exports were significantly higher than previous year ending March 2008. The Company is focusing to develop the replacement market in South East Asian countries. The products are fitted into 'A-Star', which is exported to Europe and Japan by Maruti Suzuki Motors Limited. Other export initiatives with respect to Yamaha Motor Powered Products Co. Ltd. and CVS (ArvinMeritor) continues as in the past. The Company continues to focus on growing exports in 2009-10.

standardise manufacturing processes.

The Company applied for patent for improved induction hardening system for Cylindrical and stepped Cylindrical Rods and a unique method for testing and checking the presence of nodular chrome.

Collaborators

Gabriel India has financial cum technical collaboration for Ride Control Products with ArvinMeritor Inc., USA, a premier global supplier



TOP : The Group's participation in IZB 2008, exhibition organised in Wolfsburg, Germany where Gabriel India also showcased its capability

BOTTOM RIGHT: Participants of the Training Programme on Lean Manufacturing organised by Anand 'U', the Group's Corporate university



Replacement Market

The Company's strong focus on the replacement market has helped establish a leadership position, servicing through OEMs as original spare parts and also directly under the 'Gabriel' brand name. The Company has a vast distribution network comprising of 300 dealers in all major cities of the country, supporting about 10,000 retail outlets, coordinated and serviced by a team of 25 strong fieldforce.

Human Resource Development

The Company firmly believes that people are its most important asset. Its people-practices focus on personal and professional development to align individual goals with organisational objectives. This philosophy and innovative people practices have earned the Company its efficient and dedicated workforce.



With a view to develop a leadership pipeline and have a productive and efficient workforce to overcome the challenging business environment, special HR initiatives are undertaken. Anand Production System - APS - was launched across all Gabriel plants with the objective to achieve manufacturing excellence and provide structured nurturing of people identified as Key Talent.

The Company believes that training is an important process for development of people; lending support to all training requirements



TOP: Participants at the All India Dealer Conference organised by Gabriel India at Jaipur

CENTRE: Participants at the seminar on India Auto Parts for Profit in Colombo, Sri Lanka during the year

BOTTOM LEFT: Mr Alok Agarwal, VP-Finance, Gabriel India, receiving the 10-year Service award

BOTTOM RIGHT: Ms Sandeep Kaur, Manager-Manufacturing, Gabriel India, receiving her certificate after the successful completion of the Visionary Leaders for Manufacturing programme. Also seen is Prof. Shoji Shiba (extreme left)