



**GABRIEL**



Gabriel India Limited  
29, Milestone Village Kuruli, Pune Nashik Highway, Taluk Khed,  
Pune - 410 501, Maharashtra, India  
[www.gabrielindia.com](http://www.gabrielindia.com)

**GABRIEL**



## annual report 2011-12

**Gabriel India Limited**  
COMPANY PROFILE AND FINANCIALS





# contents

---

Board of Directors	2
Company Highlights	3
Company Profile	5
Manufacturing Facilities	6
Functional Overview	
• Technology	9
• Marketing Overview	10
• Awards & Recognition	11
Gabriel People Practices	12
Corporate Social Responsibility	13
Working Results at a Glance	16
Notice	17
Report of Board of Directors	23
Report on Corporate Governance	29
Management Discussion and Analysis Report	40
Financials	44
• Auditors Report	
• Balance Sheet	
• Profit and Loss Account	
• Cash Flow	
• Schedules to Balance Sheet	
CEO/CFO Certificate	73

---

**GABRIEL**



# GABRIEL INDIA LIMITED

Deep C Anand  
*Chairman Emeritus*

## BOARD OF DIRECTORS

Deepak Chopra  
*Chairman*

Manoj Kolhatkar  
*Managing Director*

Russi Jal Taraporevala  
HR Prasad  
Rajeev Vasudeva  
Gurdeep Singh  
Mahendra Goyal

## SR. VICE PRESIDENT FINANCE

Kawal Jaggi

## COMPANY SECRETARY

Anshul Bhargava

## CORE MANAGEMENT TEAM

Amitabh Srivastava  
Ashish Rikhie  
Atul Jaggi  
CR Vijaykumar  
CS Subramanian  
MK Singh  
Nalin Jaini  
PLR Reddy  
Rajendra Abhange  
Rajeev Khoche  
S Sengupta  
Shridhar Nanal  
Sumit Bhatnagar  
Umesh Shah

## BANKERS

Axis Bank  
Bank of India  
HDFC Bank  
HSBC  
IndusInd Bank  
ING Vysya Bank  
Kotak Mahindra Bank  
Standard Chartered Bank  
State Bank of India

## AUDITORS

**B.K. Khare & Co.**  
706/708, Sharda Chambers  
New Marine Lines  
Mumbai - 400 020

## 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: 02135 - 610700 / 610757  
Fax: 02135 - 261200  
Email: secretarial@gabriel.co.in

## Company Highlights

- 2011-12 revenue grew by 16% over the previous year, ahead of Industry growth of 14%.
- EBITDA at Rs. 1070 Million grew by 10%, PBT at Rs. 624 Million by 9% and PAT at Rs. 531 Million by 17% over the previous year.
- Exports at Rs. 553 Million grew by 90% over the previous year.
- The Chakan Plant (for Passenger Car Products) recorded a high growth rate of 30%.
- The R&D activity after DSIR (Department of Scientific and Industrial Research, Ministry of Science and Technology) approval in 2010-11 has substantially intensified to develop new products. The company has also started a major drive in complexity reduction across its major customer portfolios.
- Mass production began successfully for major OEM's with the state-of-the-art 'Dynachrome Automatic Plating System' and 'Water Based Painting System'.
- The VSME (Visionary Leaders for Small and Medium Enterprises) program launched in collaboration with JICA (Japan International Cooperation Agency) and CII (Confederation of Indian Industries) has reached its maturity level at 2 key plants.
- In House R&D efforts resulted in the successful productionization of new products for new models of Two Wheeler for TVS, Honda, Yamaha and Royal Enfield.
- The Company continued to consolidate its position in all segments of the Automotive Industry - Commercial Vehicles, Passenger Cars and Two Wheelers (Acquisition of new business ensures sustenance of market share in forthcoming years).
- The Company enhanced its capacity substantially at the Parwanoo plant.

## Vision

Gabriel India shall be a global manufacturing and marketing company of ride control products respected by customers and other stake holders for our benchmarked performance in product engineering, quality, cost, delivery and speed of response.

We shall earn and sustain the status of being the "preferred supplier" of ride control products from our customers.





## Company Profile

**GABRIEL INDIA LIMITED**, a leading name in the Indian auto component industry, has completed five decades of its existence. The company provides the widest range of Ride Control products in India with Shock Absorbers, Struts and Front Forks, catering to Passenger Cars, Utility Vehicles, Commercial Vehicles and Two Wheelers.

The pioneer of Ride Control products in the country, 'Gabriel' is a renowned brand synonymous with shock absorbers. Its products have established a significant presence in all automotive segments, viz; OEMs, replacement markets and exports. Over the last fifty years, Gabriel India has earned the reputation of being a provider of innovative and proprietary products and solutions that have become the company's hallmark.

The flagship company of Anand, Gabriel commenced operations in 1961, with a single plant in Mulund, Mumbai, and has grown manifold since then with seven manufacturing facilities spread across the country. (Pune, Nashik, Hosur, Dewas, Gurgaon, Parwanoo, Sanand).

Gabriel's manufacturing footprint enables timely deliveries to customers while optimizing the availability of material. With a combined capacity of over 24 million Shock Absorbers and, Struts and 2.7 million Front Forks, these facilities cater to the requirements of all segments of the market, making Gabriel the leading Automotive OEM supplier in the country. Gabriel also services the requirements of Defence, Railways and the Aftermarket segments in India.

Gabriel has three well equipped, state-of-art R&D centres located at Chakan, Hosur and Nashik to develop new products and carry out comprehensive testing and validation so as to optimize performance and enhance capability of its Ride Control products. These facilities provide value-added services to all customers in areas of noise measurement, value engineering, improving product quality by root cause analysis of customer complaints, as well as cost reduction through localization efforts. These R&D centres also provide customers with a facility to conduct ride tuning exercises on site through custom built mobile ride tuning vans.

The ongoing support extended by its Collaborators helps the Company in offering 'requirement specific' technology solutions to different international OEMs of the Automotive Industry as well as to its Aftermarket and Export customers.

The Company has a Technical Collaboration with KYB Corporation, Japan, and KYBSE, Spain. KYB Corp., established in 1919, is a renowned manufacturer of Ride Control products in Japan, supplying to well known vehicle manufacturers globally. Gabriel also has a Technical Collaboration with Yamaha Motor Hydraulic Systems, Japan, a 100% subsidiary of Yamaha Motors, Japan, specializing in the manufacture and sale of shock absorbing components for Two Wheeler applications.

REDEFINING RIDE COMFORT



# Manufacturing Facilities

## TWO WHEELERS

### AMBAD

COMMENCED PRODUCTION:	1990
LOCATION:	Ambad, Nashik
PRODUCT:	Shock Absorbers & Front Forks
SEGMENTS SERVICED:	Two/Three Wheelers
CAPACITY INSTALLED:	36 Lacs Shock Absorbers & Front Forks
TECHNICAL COLLABORATION:	Yamaha Motor Hydraulic Systems (A 100% subsidiary of Yamaha Motor Company)
MAJOR OEM CUSTOMERS:	Bajaj, Yamaha, Piaggio, Mahindra
QUALITY CERTIFICATIONS:	TS16949/ BAL TPM



### HOSUR

COMMENCED PRODUCTION:	1997
LOCATION:	Hosur, Tamil Nadu
PRODUCT:	Shock Absorbers & Front Forks
SEGMENTS SERVICED:	Two/Three Wheelers
CAPACITY INSTALLED:	66 Lac Shock Absorbers, Front Forks & Tubes
TECHNICAL COLLABORATION:	Yamaha Motor Hydraulic Systems & KYB of Japan
MAJOR OEM CUSTOMERS:	TVS, Suzuki, HMSI & Yamaha
QUALITY CERTIFICATIONS:	TS 16949, ISO 14001, OHSAS 18001

### PARWANOO

COMMENCED PRODUCTION:	2007
LOCATION:	Parwanoo, Himachal Pradesh
PRODUCT:	Shock Absorbers, Struts & Front Forks
SEGMENTS SERVICED:	Two Wheelers, Commercial Vehicles, Passenger Cars
CAPACITY INSTALLED:	61 Lac Shock Absorbers, Struts & Front Forks
MAJOR OEM CUSTOMERS:	TVSM, Tata Motors Ltd, Mahindra & Mahindra & the After Market



# Manufacturing Facilities

## COMMERCIAL VEHICLES

### DEWAS

COMMENCED PRODUCTION:	1992
LOCATION:	Dewas
PRODUCT:	Shox - Commercial Vehicles
SEGMENTS SERVICED:	OEM / After Market / Exports
CAPACITY INSTALLED:	40 Lac Shox Per Year
MAJOR OEM CUSTOMERS:	Tata Motors, Mahindra and Mahindra Ashok Leyland, VE Commercial Vehicles, Daimler, Force Motors, Asia Motor Works, International Cars and Motors, Wheels India.
QUALITY CERTIFICATIONS:	TS - 16949-2009, OHSAS 18001-2007 ISO 14001 - 2005



## CASTING FACILITY

### CHAKAN

COMMENCED PRODUCTION:	2009
LOCATION:	Chakan, Pune
SEGMENTS SERVICED:	Two Wheelers
PRODUCT:	Aluminum Casting Outer Tubes for Front Forks
CAPACITY:	7.2 Lac Outer Tubes
MAJOR OEM CUSTOMERS:	Yamaha India



## Manufacturing Facilities

### PASSENGER CARS

#### KHANDSA - GURGAON

COMMENCED PRODUCTION:	2008
LOCATION:	Khandsa, Gurgaon
PRODUCT:	Shock Absorbers and Struts
SEGMENTS SERVICED:	Passenger Cars
CAPACITY INSTALLED:	24 Lac Struts and Shock Absorbers
TECHNICAL COLLABORATION:	KYB Japan
MAJOR OEM CUSTOMERS:	Maruti Suzuki
TECHNOLOGY HIGHLIGHT:	In-house facility for e-coating & chrome plating, based on 'Dyna Chrome' technology
QUALITY CERTIFICATIONS:	ISO TS -16949



#### CHAKAN - PASSENGER CARS FACILITY

COMMENCED PRODUCTION:	1997
LOCATION:	Chakan, Pune
PRODUCT:	Shock Absorbers and Struts
SEGMENTS SERVICED:	Passenger Cars, Railways
CAPACITY INSTALLED:	36 Lac Struts & Shock Absorbers
MAJOR OEM CUSTOMERS:	Tata Motors, Hyundai, Toyota, Renault, Ford, General Motors, Volkswagen, Mahindra, Railways, Bajaj, Piaggio
QUALITY CERTIFICATIONS:	TS 16949, ISO 14001 & OHSAS 18001

#### SANAND - PASSENGER CARS FACILITY

COMMENCED PRODUCTION:	2010
LOCATION:	Sanand, Gujarat
PRODUCT:	Struts (Final Assembly)
SEGMENTS SERVICED:	Passenger Cars
CAPACITY INSTALLED:	6 Lac Struts
MAJOR OEM CUSTOMERS:	Tata Motors



## Functional Overview

### TECHNOLOGY

#### R&D ACTIVITIES 2011-12

##### GENERAL:

As a part of Gabriel's focus towards developing leading-edge technologies for its customers, there has been a constant endeavor to upgrade and augment people skills, equipment and facilities. Gabriel's R&D facilities at Hosur and Ambad were recognised by the Government of India (Department of Scientific Industrial Research - DSIR) in July 2011. The R&D facility at Chakan had already been certified in 2010-11.

##### INVESTMENTS:

Over the next three years, beginning 2012, the Company plans to invest around INR 200 million in various R&D activities to upgrade existing skills and capabilities, as well as in the development of new products and processes.

A new land acquisition process for building a state-of-the-art technology center at Hosur was completed.

##### PRODUCT & PRODUCT INNOVATIONS

- New innovative designs developed for new generation SUVs with high localized content.
- Localization of critical imported parts.
- Innovative manufacturing practices such as simultaneous hole piercing, were developed and introduced.
- New range of Cabin Dampers was developed for HCV's

- Autophoretic coating process commissioned.
- Two Patents were filed during the year
- Innovation initiative to introduce breakthrough solutions in products and processes was launched.

##### OTHER ACTIVITIES

- Developed end-to-end capabilities for peripheral parts for Struts.
- Carried out ride tuning in India and abroad for various Indian and foreign OEMs in Passenger Cars and Two Wheelers.
- Conducted a bench-marking exercise with global competitors and implemented new features in our designs.
- Intensified import substitution activity by way of localization.



## Marketing Overview

### Exports

Gabriel OE exports sustained a high growth momentum and achieved a growth of over 90% during the year 2011-12. Of these, exports to Renault grew by 148% and are expected to stabilize with a growth rate of about 20% in 2012-13. Exports to Ride Control LLC, USA grew at 36% in 2011-12. Exports to emerging markets such as Latin American markets have been launched and are registering positive trends.

Gabriel Aftermarket exports recorded a growth of 59% over the last year. The Company increased its market share substantially in both the two and three wheeler segments in Asian and African markets. The business developed in Australia and Europe has registered considerable progress.

### Domestic OEM

Gabriel continued to grow during 2011-12 in line with auto industry growth. The company clocked in a sale of over Rs. 9500 Million, contributed by organic growth coupled with new businesses secured during 2011-12. The OE sales have been the largest contributor to the total sale, and the trend is expected to continue in the future by working closely with and securing new business opportunities from domestic OEMs—both existing and new.

Enhanced business participation in TVS and, Yamaha Motorcycles coupled with Industry growth from Bajaj, Mahindra Two wheelers, Suzuki and Royal Enfield enabled Gabriel to improve market share in 2011-12. Gabriel participated in this market growth by stepping up capacities and improving capabilities to meet growing demand. Gabriel recently received a letter of intent for new business from HMSI for their new green field facility coming up near Bengaluru. This business is expected to commence by 2013-14 and would further increase Gabriel's presence in the growing Two Wheeler segment.

Gabriel commenced regular supplies to Volkswagen, India with its state-of-the-art technology products for Vento, Polo, Fabia and Rapid. The passenger car segment growth was dampened due to various external economic influences in 2011-12. With the difference in cost of fuel, the passenger car industry has shifted to diesel powered vehicles. Gabriel secured new business from Maruti for Alto K10 and Model-T, a large volume small car to replace the Alto range which is expected to get into production in 2012-13.

Gabriel has geared up its product development activities for Honda BRIO and is expected to commence supplies from 2012-13. Gabriel continued its growth trend from its association with Toyota's existing models such as Innova and Corolla.

The Commercial vehicles segment is witnessing significant developments, with existing players launching futuristic products as well as the entry of multinationals. Business with Ashok Leyland and Mahindra was enhanced considerably through growth in existing volume (Bolero, Pickups) and due to the re-launch of GIO & launch of 'Dost' from Ashok Leyland-Nissan. The launch of 0.5T range of vehicles by TML, Piaggio has enabled Gabriel to improve its presence in the small vehicle range. Gabriel is also geared to meet the launch of Bharat Benz trucks by Daimler.

### Replacement Market

The Company's strong focus on the replacement market has helped establish a leadership position in this segment. The company services this segment through OEMs by supplying original spare parts as well as directly under the 'Gabriel' brand name. The Company has a vast distribution network comprising 350 dealers located in all major cities of the country, supporting over 7000 retail outlets, coordinated and serviced by a strong field force.

The company has done exceedingly well in the replacement market in terms of sales as well as growing customer demand. The Company's replacement market sales have shown an Impressive growth of 22% CAGR in last four years.

A record number of 25 new products were launched in the replacement market. Co-branded Front Fork Oil with HPCL launched in 2011-12 has recorded a positive response from customers.

All new product lines such as Gas Springs, Oil Seals, Radiator Coolants launched over the last two years, established their presence in the market and have captured a substantial market share from competition.

The company also entered into an agreement with HPCL to market co-branded Front Fork Oil through the Company's Aftermarket network. Commercial supplies commenced during 2011-12.

## Awards & Recognition

### FICCI PLATINUM AWARD

Gabriel India, Nashik won the prestigious "PLATINUM EXCELLENCE AWARD (FIRST)" in the medium scale category of FICCI's quality systems excellence awards.

### YAMAHA MOTORS 'DELIVERY PERFORMANCE AWARD'

Gabriel won the "Outstanding Delivery Performance Award" from India Yamaha Motors Ltd.

### BAJAJ SILVER AWARD

Gabriel India, Chakan was awarded the prestigious "Bajaj Quality Silver Award" in Pune.

### SUZUKI MOTORCYCLE QUALITY PERFORMANCE AWARD

Gabriel won the "Quality Performance Award" from Suzuki Motorcycle India Ltd.

### BAJAJ AUTO 'GOLD' AWARD

Gabriel Nashik won the coveted "Bajaj Auto Quality-Gold" and "TPM Excellence Award".

### TVS 'QUALITY IMPROVEMENT' AWARD

Gabriel, Hosur received an award from TVS Motor Company for completion of the Quality Improvement Project and securing the Second position in the competition.

### PIAGGIO VEHICLES 'BEST SUPPLIER' AWARD

Gabriel, Nashik was presented with the 'Best Supplier Award' for Excellence in Supply from Piaggio Vehicles Pvt. Ltd.

### 'EXCELLENT' VENDOR QUALITY RATING BY TATA MOTORS

Gabriel India, Dewas was awarded an "Excellent" rating by Tata Motors in their Vendor Quality Rating System for the first, second and fourth quarters.

### MARUTI SUZUKI SHIELD AWARD

Gabriel India, Khandsa was awarded the 'Focused Cost Down Award'



Gabriel won the Quality Performance Award from Suzuki Motorcycle India Ltd at the SMIL Vendor Meet.



Gabriel India was awarded the 'Special Award for Outstanding On time Delivery Performance' by India Yamaha Motor Pvt. Ltd. during their Annual Vendor Meet held on 19th April 2012.



Gabriel Nashik being recognized with the prestigious "PLATINUM PRIZE (FIRST)" in the medium scale category of FICCI's quality system excellence awards 2011.



## Gabriel People Practices

Gabriel India has evolved thoughtful people practices. Gabriel's work culture is based solidly on the principles of the Anand Way and the belief that it is people who drive business. Employees are the company's greatest assets. Leadership and respect for one another is cultivated at every stage. The company is intensively pursuing its efforts to be recognized as a 'Great Place to Work'.

The company achieves its global aspirations and objectives through work excellence, the latest manufacturing technologies and the knowledge and expertise of its shop floor workforce. The company continues to focus on increasing its number of women employees, who are primarily diploma engineers, recruited directly from campuses. They are systematically and continuously trained and nurtured for advancement.

A structured growth plan including internal job postings for Operating Engineers provides opportunities for them to grow and take on higher responsibilities in Production, Product and Process Engineering, Maintenance, Quality, SCM, IT, HR, Administration and Finance. Employees are encouraged to participate in Quality Circles, Kaizens, VSME programs and the NCYM (National Competition for Young Managers). This helps them in putting their engineering knowledge and skills to use in continuously improving product design and processes, solving issues of production, quality, productivity, 5S, shop floor practices, waste control measures and safety.

To retain and develop talent at all levels, there are various programs viz. The Anand Leadership Development Program (ALDP) including the Anand Talent Program and the Anand Mentor Program. Coaching and Mentoring is provided for those who are a part of the ALDP. A Management Development Dialogue process covers all those who figure in the Human Capital List. The career development path of individuals is discussed and a contract between the management and the individual is agreed upon. A clearly defined and individual-specific action plan on their training and development is charted.

The company has a comprehensive talent management policy. Staff and managers are systematically and comprehensively evaluated as part of the Performance Management System. The Company has evolved a Human Capital Index to measure adverse or positive performances.

## Corporate Social Responsibility

The Company continues to work actively towards the pursuit of excellence as a responsible corporate citizen in its operations. The Company supports social initiatives through field level activities whose demonstration effect helps in fostering the 'spirit of giving' among other corporates / partners in the neighbourhood.



Gabriel Volunteers working actively towards raising ground water levels at Bilawali Talab near Dewas.

The SNS Foundation, a charitable Trust which has been sanctioned a 100% tax exemption status under section 35 AC of the Income Act of Government of India, offers to be custodians of the funds donated for projects or activities specified by the donors. The Company over the years has been supporting development activities among communities in the vicinity of all geographical locations where the Company has manufacturing bases. The decision of the Company to set up a facility in Himachal Pradesh, Uttarakhand, in the North and similar townships in the West and southern parts of the country 'notified as backward area' starting from the '70s has helped to provide employment opportunities for the unemployed youth, especially women and develop the town as an industrial base.



Orphanage visit by the HR Team from Gabriel, Chakan in Nov, 2011.



Gabriel, Hosur sponsors JET Toy Olympics

SNS Foundation's activities are aimed at skills development for employability and empowerment of women, elementary education of the most unreached categories of children living in slums, mobilising working children into an inclusive program of education, healthcare and protection from exploitation, imparting vocational training and life-skills for adolescents and youth, promoting sustainable activities for managing natural resources (land, water) and reaching reproductive health care. This include actions for preventing spread of HIV/AIDS among migrant and industrial workers and urban and rural populations using mobile static medicare services and through sensitisation awareness campaign modes using effective/tested communication methods.

The group also runs an educational institution - the Himachal Primary School, a hostel for working women and a dispensary for the residents of Parwanoo. Anand employee participation in the Foundation's activities is integral to the volunteering spirit promoted by the group.

The SNS Foundation's activities actively supported by the Gabriel facilities has enhanced its reach to the aspiring young rural population by adding basic computer skill building, hair & beauty training programs and continues to strengthen the nursing training program.



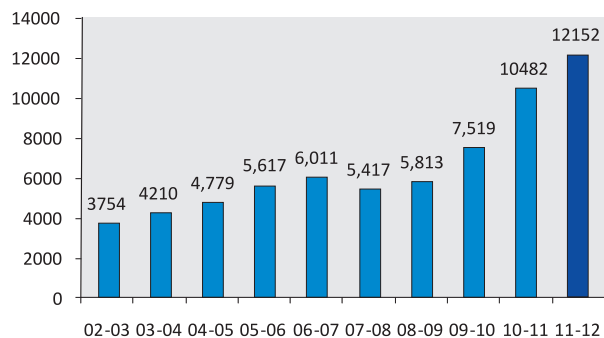
## Financial Highlights

	2011-12	2010-11
Domestic Sales (Rs. Million)	10,599.7	9325.0
Export Sales (Rs. Million)	553.1	292.0
Total Sales (Rs. Million)	11,152.8	9617.0
Profit Before Tax (Rs. Million)	624.4	590.8
PBT as a % to Sales	5.6	6.1
Profit After Tax (Rs. Million)	530.6	453.4
PAT as a % to Sales	4.8	4.7
Return on Net Worth (%)	22.9	24.3
Net Worth per Share (Rs.)	32.2	26.0
Earning per Share (Rs.) -Basic & Diluted	7.4	6.3
Dividend per Share (Rs.)	1	1
Dividend Cover (Times)	7.4	6.3

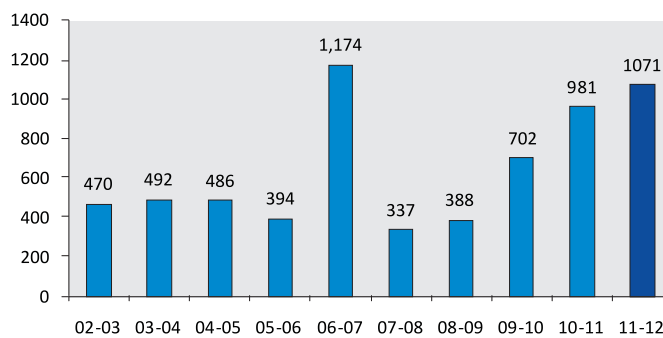


# Financial Highlights

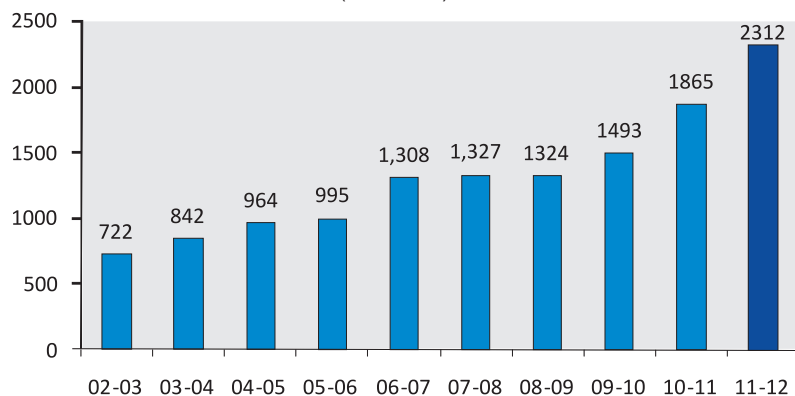
**Sales** (Rs million)



**Gross Profit** (Rs million)



**Shareholders' Funds** (Rs million)



**Distribution of Income** (In %)

