

GABRIEL

annual report
2013-14

**TECHNOLOGY PIONEERS
SINCE 1961**



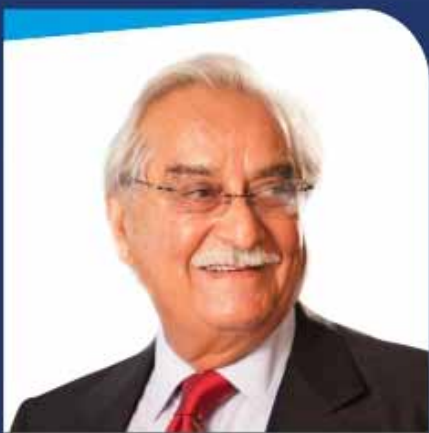
GABRIEL

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Board of Directors



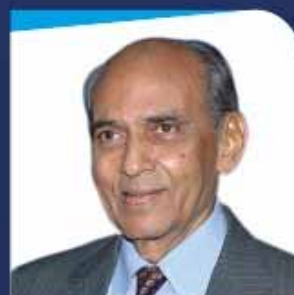
Deep C Anand
Chairman Emeritus



Deepak Chopra
Chairman



Manoj Kohlatkar
Managing Director



HR Prasad
Director



Rajeev Vasudeva
Director



Gurdeep Singh
Director



Rohit Philip
Director



CHIEF FINANCIAL OFFICER

Rajendran Arunachalam

COMPANY SECRETARY

Sarang Deshpande

CORE MANAGEMENT TEAM

Amitabh Srivastava
Amol Lahoti
Atul Jaggi
Jagannath Shenoy
Prashant Shah
Rajendra Abhange
Shridhar Nanal
Subramanian CS
Sumit Bhatnagar
Umesh Shah

BANKERS

Bank of India
HDFC Bank
HSBC
Indus Ind Bank
ING Vysya Bank

AUDITORS

BK Khare & Co
706/708, Sharda Chambers
New Marine Lines
Mumbai - 400 020

REGISTERED OFFICE

29th Milestone, Pune-Nashik Highway
Village Kuruli, Taluka Khed
Pune - 410 501 (Maharashtra)
Tel: 02135 - 610700 / 610757
Fax: 02135 - 610796
Email: secretarial@gabriel.co.in

Chairman's Message



Deepak Chopra
Chairman

Behind each of our accomplishments and milestones lies a story of perseverance, dedication and innovative thinking by Gabriel India team, ably guided and supported by Anand's corporate headquarters team – all this with an aim to deliver great value to our customers by offering world class products and technologies of superior quality with better service levels. Your trust and faith in your company is a big motivator for us.

The world continues to be in the midst of a challenging economic environment. There is a definite recovery in the USA, China, Germany and a few other Asian markets. Markets and economies in the rest of Europe, India, Brazil, Russia and most of Latin America continue to be sluggish with very slow pace of recovery. With a globalised and interconnected world, this situation will continue to pose challenges for us in India, despite the renewed optimism about the change in prospects of the Indian Economy, following a decisive mandate and emergence of a stable government by BJP led NDA coalition.

The last three years have been challenging from the country's growth perspective on account of policy inaction, various scams and allegations of corruption, leading to low business confidence. GDP growth constantly declined and was a below par 4.9% in 2013-14. Manufacturing output growth declined to 0.2% in 2013-2014 compared to 1.1 % in the previous year. The retail inflation measured on consumer price index, is still quite high at around 8%. FDI inflows have also declined in the last few years with 2012-13 inflows down 38% to USD 22.42 billion and for 2013-14 they are flat, at the same level as in the previous year.

Automotive industry in India has also been affected adversely as a result. In 2013-14 car sales fell for the first time in 11 years by 9.5% while total passenger vehicle segment was down 5%. Commercial vehicle segment has had a double digit decline for the third year running. Another very important segment for your company; two wheelers recorded a single digit growth.

Though it is difficult to remain insulated from this adverse business environment, Gabriel India, continued to clock positive growth in 2013-14 with revenue growth of 6.5%, ahead of industry. We also registered a 35% growth in Profit before tax at Rs. 557.6 Million compared to Rs. 411.8 million in 2012-13. I would like to acknowledge the tremendous contribution of the entire Gabriel India team for bringing in very encouraging results in a difficult year.

I am very optimistic about the reforms being ushered by the new Indian government putting the country back on a high growth trajectory. With focus on stability, progress and good governance, the government is striving to improve investor confidence in India growth story. Higher GDP growth rate of 6.5% to 7% is being targeted for 2015-16. This renewed optimism is being reflected already with Indian Stock Markets reaching new peaks, a stronger Rupee and a revival in passenger vehicle and two wheeler segments of the Auto industry, while we still await a revival in the commercial vehicle segment which should happen with the stimulus being given to infrastructure sector (including road building), mining and agriculture.

Gabriel in India has been recognised for the last five decades as a renowned brand synonymous with shock absorbers. We need to continuously build on this strength, continue our well structured growth oriented journey, stay focused on better cost management, process optimisation and excellence in quality and product engineering to deliver better value to our customers and better returns to our shareholders. We need to further intensify our initiatives on green technology introduction and reducing the carbon footprint which will not only help us to improve our operational efficiency but will also create a culture of energy conservation across our plants. I take this opportunity to thank all our stakeholders for their valued support. I am confident that with your patronage, we will continue to deliver long term sustainable value.

Deepak Chopra
Chairman
Gabriel India Limited

MD's Message



Manoj Kolhatkar
Managing Director

At Gabriel India Limited, we work continuously to ensure that the automotive riders (drivers and occupants) are always assured of good comfort and safety. It is our commitment to employ state of art technologies to provide ultimate vehicle safety.

Currency fluctuation, high fuel costs and high inflation have impacted passenger and commercial vehicle sales for over 2 years now. Hardly any company escaped the troughs in the curve, right from OEMs to allied industries, last year. But now with India's newly elected government, we hope that strategic measures will be deployed to hasten revival. With focussed attention towards reversing the downturn from the Government, we can expect an upbeat industry. The government has already extended the extension of excise duty levied on the automobile industry for another six months, that is, till December 2014, in the last week of June. In the interim budget 2014-15, the government had reduced central excise duty on small cars, scooters/two-wheelers from 12 to 8%. It had also reduced the duty from 30% to 24% on SUVs (sports utility vehicles), and medium segment sedans by 4%, respectively. This positive move of the Government will help us re-build the Indian economic growth.

We in the automotive industry are looking forward to the policies which would spur the domestic demand to aid consumer buying. The automobile industry is called to be a pillar of the global economy and Indian auto industry is referred as the sixth largest provider of automobiles both in terms of volume and value. As a key Indian economy driver, the auto industry contributes 7 percent to India's GDP and is responsible for 7 to 8 per cent of India's total employed population. Gabriel India Ltd, as a flagship company of ANAND, gears up to contribute to the Indian automotive industry. We aim to be a highly trustworthy organisation for supplying ride control products to all of the world's major automobile players by FY 2019-20, while providing technologies and products that make life safe and comfortable.

We are ramping up existing capacities and creating a stronger R&D platform, which can support vigorous expansion and growth; we launched our new R&D Centre at Hosur, dedicated to two wheelers. We are looking at investments for the future and taking on challenges with the collective strength of the entire Anand Group. This year, we are concentrating on: a) new technology products; and b) operations in the aftermarket by strengthening our network with programmes like 'Elite Retailer Programme'; and, c) launching new product lines in the aftermarket.

To accomplish these goals, Gabriel has built upon its vast and diverse experience to develop its own R&D solutions through very well equipped and state-of-the-art research, development and testing centres. These are located at Chakan for the four-wheelers including passenger cars, UVs, commercial vehicles and also railways. The other two centres are at Hosur and Nashik to support all needs of the two and three wheeler segments. Through these three R&D centres, we will be able to support our esteemed customers in their new product development, running product improvements and are also able to reduce time to market. We are proud to state that all three of our centres have been recognised by the respected DSIR, Government of India; we have a team of over 50 engineers working at these sites; and we have registered several patents too.

By 2018, we would like to be associated as a preferred supplier to major global OEMs. Gabriel has intensified its initiative on green technology introduction and thereby reducing the carbon footprint. This not only helps to improve its operational efficiency but also creates a culture of energy conservation across its plants.

Manoj Kolhatkar
Managing Director
Gabriel India Limited

Gabriel - The Company

AN INTRODUCTION

GABRIEL INDIA LIMITED is a leading name in the Indian auto component industry and is in existence for more than five decades now. 'Gabriel' is a renowned brand synonymous with shock absorbers. Its products have established significant presence in all segments of automotive sale, viz, OE, replacement markets and exports. A pioneer of ride control products in the country, Gabriel provides the widest range of products from shock absorbers, struts and front forks, catering to passenger cars, utility vehicles, commercial vehicles and two wheelers. It is the flagship company of the Anand group and commenced operations in 1961.

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.



Dr. R A Mashelkar inaugurating innovation concourse in presence of Gabriel management, Mr. Manoj Kolhatkar - Managing Director and Mr. Rajendra Abhange - CTO, Gabriel

Core Values

We drive ANAND as a unified corporate entity

We aspire to excel as a world-class organisation

We encourage organisational transparency

We value integrity

We encourage innovation

We nurture talent

We support continuous education

We build trust and empower people

We practise open and honest communication

We recognise and reward achievement

We are an equal opportunity employer

We are committed to social responsibility

ANAND >>

Core Strengths

PRODUCTS

- Front forks and rear shock absorbers for two wheelers
- McPherson struts and shock absorbers for passenger cars
- Axle, cabin and seat dampers, suspension shock absorber for commercial vehicles
- Railway shock absorbers

INFRASTRUCTURE

Gabriels manufacturing footprint with nine manufacturing facilities are spread across the country located at Pune, Nashik, Hosur, Dewas, Parwanoo, Sanand and Malur. These facilities cater to the requirements of all segments of the market. With the first Dynachrome Automation Machine and 2 robotic lines in Asia, we stand tall amongst the best manufacturing facilities in the country for ride control products.

PEOPLE

We have a highly experienced team of people at all the levels, who are continuously innovating their own domains to bring value to its customers.

GREENTECHNOLOGY

Gabriel has intensified its initiative on green technology introduction and thereby reducing the carbon footprint. This not only helps to improve its operational efficiency but also creates a culture of energy conservation across its plants.

TECHNICAL COLLABORATION

The company has a technical collaboration with KYB Corporation, Japan, and KYBSE, Spain. KYB Corporation is a renowned manufacturer of ride control products in the world, 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, specialising in the manufacture and sale of shock absorbing components for two wheeler applications.



Mr Shashank, Head Sourcing, PVPL, inaugurating the new building expansion at Gabriel Ambad, in presence of Mr Manoj Kolhatkar, Managing Director, Gabriel India, Mr Rajendra Abhang, CTO, Mr CS Subramanian, Head Marketing and Mr Nikhil Patani, Plant Head, Nashik

Mr. Radha Krishnan - president TVS motors inaugurating the tech centre at Gabriel Hosur in presence of Mr. Deepak Chopra - CEO, Anand and chairman - Gabriel India, Mr. T V Mansukhani - Group advisor, Mr. Manoj Kolhatkar - Managing Director, Gabriel India and Mr. Rajendra Abhang - CTO, Gabriel India

Key Highlights

- 2013-14 revenue grew by 6.6% over the previous year, ahead of Industry growth.
- EBITDA grew by 13.7 %, PBT by 35.4% and PAT by 11.7% over the previous year.
- Technology showcased at VW India
- Inauguration of Tech Centre at Hosur
- Building Expansion at Nashik plant
- Addition of Second Ride Tuning Van
- Inauguration of Innovation Concourse by Padmavibhushan Dr. R A Mashelkar
- Inauguration and start of supplies from Malur (extension of Hosur Plant) to HMSI
- Recorded highest sales in aftermarket
- Associate Sponsorship for Pune Invitational supercross, a dirt bike racing event on 21st Dec'13
- Start-up of Robotic line at Ambad

