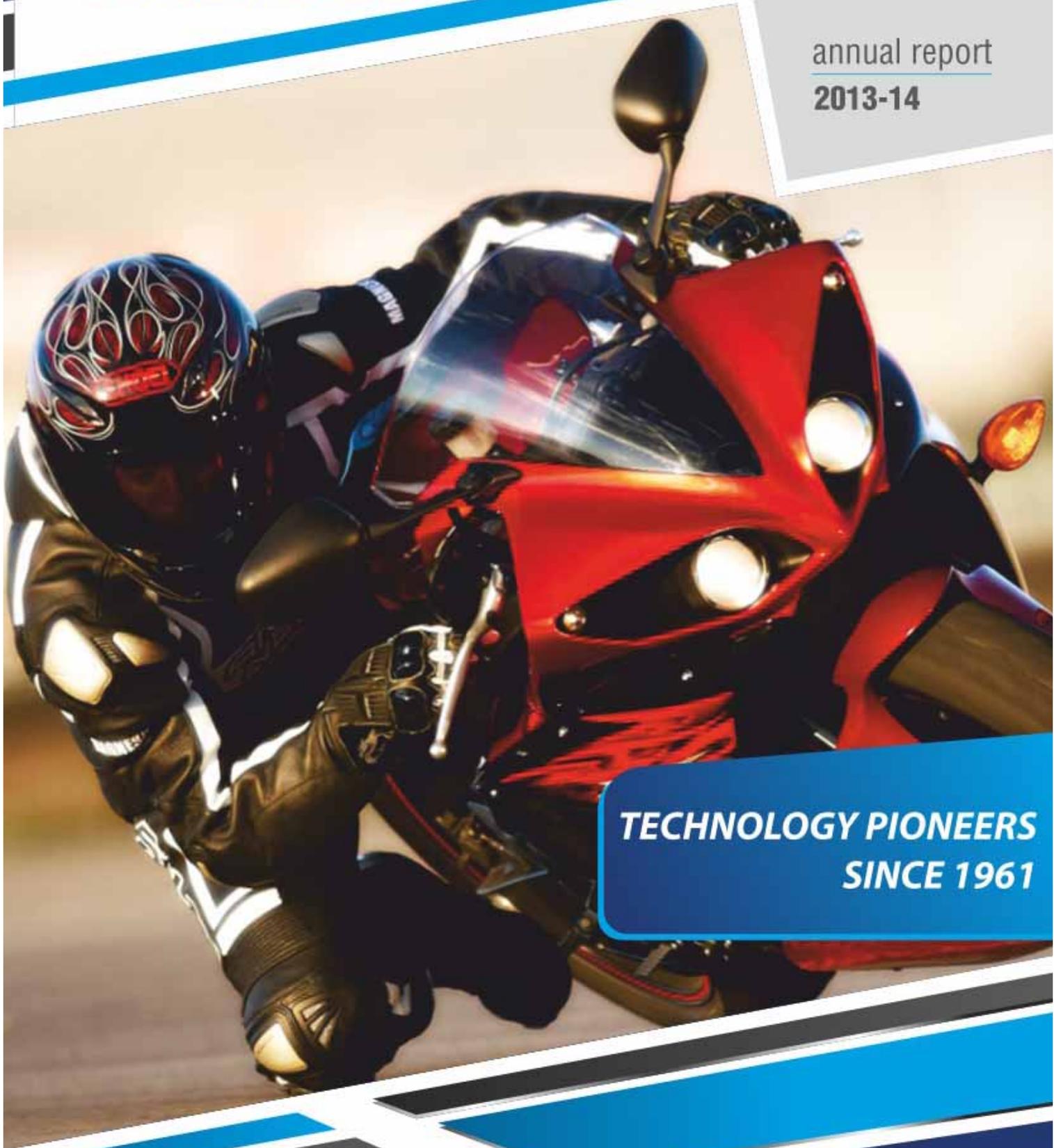


GABRIEL

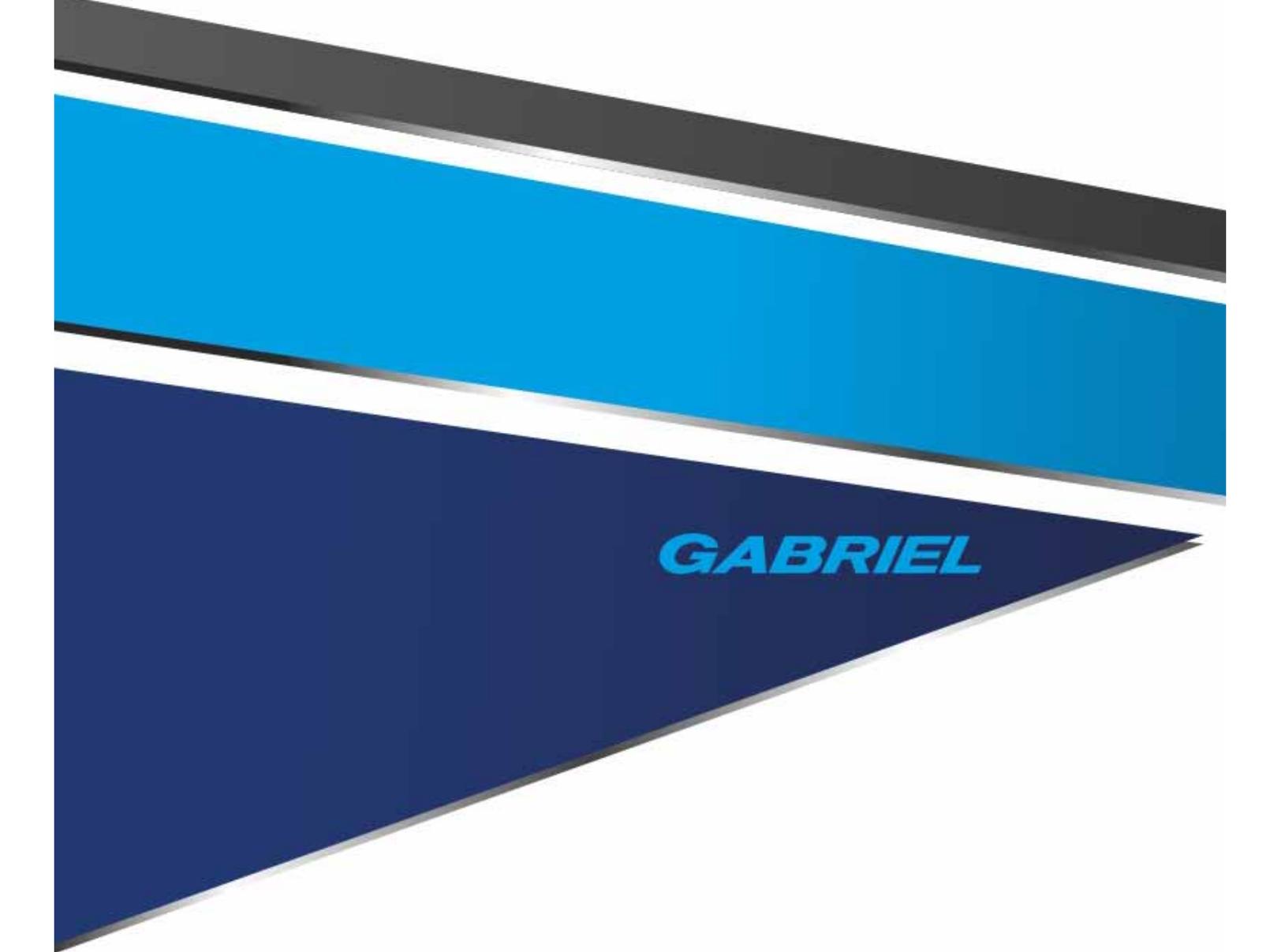
annual report
2013-14



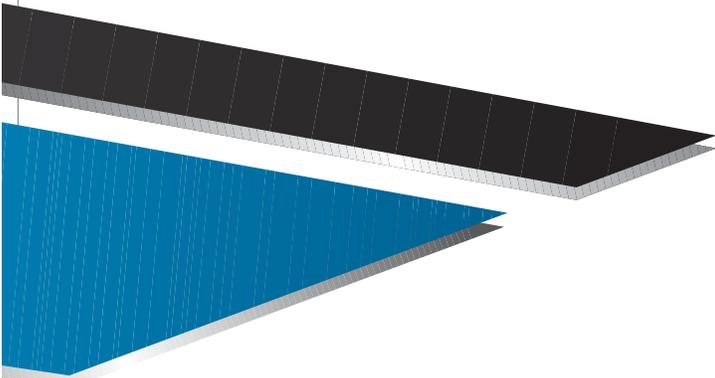
**TECHNOLOGY PIONEERS
SINCE 1961**

Gabriel India Limited
COMPANY PROFILE AND FINANCIALS

ANAND 

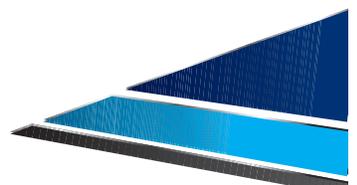


GABRIEL

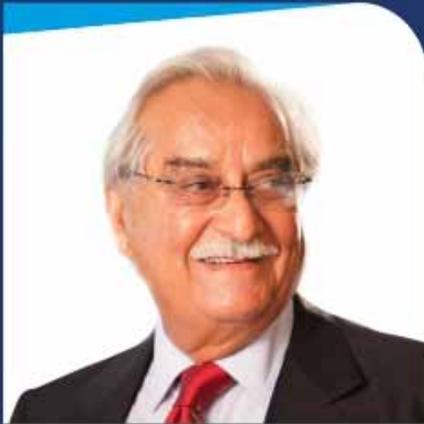


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Board of Directors



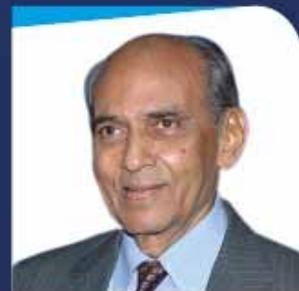
Deep C Anand
Chairman Emeritus



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 Abhange, 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 Abhange - 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





Pioneers in Technology

Focus and innovation in productivity improvement, quality management and customer satisfaction continue to remain key drivers for the company's success

AS-IS: Gabriel today has three state of the art and well equipped R&D centres located at Chakan, Hosur and Nashik, which aim at improving productivity and bringing novel technologies to the fore. Gabriel's R&D centres support customers in areas of noise measurement; value engineering; improving product quality as well as in cost reduction through localisation efforts. These centres also provide customers with a facility to conduct ride tuning exercises on-site through custom built mobile ride tuning vans.

The array of products that these centres produce include: 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; and, Railway shock absorbers.

These centres have been accorded recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology. The R&D centres have proven capability for end-to-end new product development, including- conceptualising, designing, prototyping, testing and validation. Various new products have been developed from scratch entirely by the in-house R & D teams that have proven very successful. Notable among these products are the shock absorbers, struts and front forks for TVSM, Suzuki, Yamaha, Mahindra, Tata, Bharat Benz.

FLASHBACK:

Going back to 1980s, as the industry moved ahead from the days of limited choice of automobiles, Gabriel also expanded its facilities at Gurgaon, Nashik, Dewas and Hosur in late 80s and early 90s where it produced McPherson struts, shock absorbers and telescopic front forks. These products set the benchmark for the auto industry that provided a distinct ride and handling comfort for passenger cars, commercial vehicles and motor cycles.

Also during this era, Gabriel modernised its manufacturing by adopting lean manufacturing concept of cellular manufacturing that helped to produce smaller lots more flexibly and productively. Gabriel was one of the first industries to adopt modern manufacturing method for mass production of shock absorbers. It also brought in the concept of servicing customers 'just in time' by co-locating its manufacturing facilities near the customer.

By this time, Gabriel had access to world class technologies for every segment – two wheeler, passenger cars and commercial vehicles with distinct leadership in all the areas. This was the time when leadership thought of developing own product and process technologies to meet future requirements with in-house R&D. Accordingly, a big leap was taken by the company by establishing a large R&D Centre for product development, machine design and building as well as state-of-the-art testing facility.

This helped to offer new products for customers designed & developed to meet Indian requirements. Continuing the trend and perceiving the demand beforehand, Gabriel set up another R&D Centre in Chakan in 1998 to meet the demands of passenger cars and commercial vehicles. This centre provides valuable inputs to all plants of the company. Also, Hosur and Nashik R&D team provide complete suspension solutions for better ride comfort, while working closely with its customers to ensure 100% participation, from inception to production. Further, R&D Centre at Hosur was established in 1999 dedicatedly for two wheelers. This Hosur R&D Centre was further revamped in December 2013, to garner better visibility and give high focus to its existing and future customers.

The fulcrum of all new product development these centres have facilities for basic design and development, future technology assimilation, best in class product validation centres, design and validation software apart from ride and handling facilities. The test labs are equipped to enable us to deliver flawless products and services to its customers.

Besides, the R&D Centres are constantly engaged in value addition and value creation and value engineering activities, both for customers as well as in-house manufacturing. Numerous initiatives by the R&D Centres have resulted in increased efficiency in the

1. Nashik – R&D Centre established in 1995 – 2 wheeler (DSIR Certification received in mid 2011) Its design centre, which has performance and durability testing machines

2. Chakan – R&D Centre established in 1998 – Commercial Vehicles & 4 wheelers (DSIR Certification received in Dec 2010) It has a design centre, having performance and durability testing machines. It has solid modelling capability and Finite Element Analysis (FEA) capability Noise measurement capability. Ride tuning support given to all OEM's for their new models.

3. Hosur – R&D Centre established in 1999 – 2 wheeler (DSIR Certification received in mid 2011) It has a design centre, with performance and durability testing machines. It's special tech centre, which got a face-lift in December 2013. It has Finite Element Analysis (FEA) capability

manufacturing process, use of eco-friendly materials and enhanced labour productivity.

To illustrate few examples of innovative product & technology, Gabriel was the pioneer to introduce cutting edge automated Chrome plating technology, robotic manufacturing and water based surface coating. In addition to being state of the art these processes are also environment friendly. Over the last year the R&D team has been focusing on reducing the energy consumption thereby making our contribution to improve the climate in our own way.

R&D Focus at Gabriel

Focus and innovation in productivity improvement, quality management and customer satisfaction continue to remain key drivers for the company's success

R&D FOCUS AT GABRIEL

Gabriel's continued focus on customer centric R & D has yielded substantial benefits to its esteemed customers.

One such example is addition of a state-of-art "Ride tuning Van" exclusively built to provide on site service for vehicle tuning and troubleshooting activities. This van is completely designed in-house which includes a state of art assembly facility, testing facility and multi-media system for meeting with customers. All the equipment has been specifically developed for mobile application and off-site usage which is entirely conceptualised by Gabriel Technology team. The ride tuning van is already in operation and has carried out tuning exercises at customer premises. This state of art mobile facility has not only provided a valuable service to its customers but also has enlarged the scope of Gabriel's engagement with its customers.

This unique facility will further foster Gabriel's strong association with its esteemed customers.



Another feather in Gabriel cap

R&D Centre at Hosur promises best of technology and quality

Gabriel always leads by its research and development focus; the new R&D Centre at Hosur develops novel technology automotive products in lesser time.

Gabriel India's new state-of-the-art R&D centre at Hosur, inaugurated on December 26, 2013, is aimed to cater to the two wheeler business segment. This new R&D centre, dedicated for ride control products for two wheelers not only strengthens the ability to co-develop right from the drawing board stage with our OEM customers, develop products which are cost effective and suitable for the Indian road conditions, but also ensure superior ride comfort and safety for the Indian consumers. Over 50 per cent of Gabriel's revenue is contributed by two wheeler business sector.

The mission of this new R&D centre is to establish a world class centre encompassing product and process design,

and prototyping and evaluation section. The facility is fully equipped to develop and provide any type of two wheeler suspension products. With this, Gabriel India has become a complete solution provider to its customer for the suspension systems. The centre offers advanced products and features, after robust internal testing, so that customer gets products which are defect free and reliable. Also, the centre intends to provide conducive environment for its people to encourage creativity and innovation.

Gabriel is the leading development partner for many of its esteemed customers given its technical capability and knowledge of the Indian conditions. The launch of this new R&D centre made GIL adept and versatile in fulfilling the customer needs. With this R & D centre, it is improving speed, agility and quality of product development, thereby increasing customer confidence and satisfaction.





Manufacturing Facilities

TWO WHEELERS

AMBAD, MAHARASHTRA

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



HOSUR, TAMIL NADU

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



Manufacturing Facilities

TWO WHEELERS

PARWANOO, HIMACHAL PRADESH

COMMENCED PRODUCTION:	2007
LOCATION:	Parwanoo, Himachal Pradesh
PRODUCT:	Shock Absorbers, Struts & Front Forks
SEGMENTS SERVICED:	Two Wheelers, Commercial Vehicles, Passenger Cars
MAJOR OEM CUSTOMERS:	TVSM, Tata Motors, Mahindra and the After Market
QUALITY CERTIFICATION	TS16949



Satellite Manufacturing Plant - MALUR

COMMENCED PRODUCTION:	2013
LOCATION:	Karnataka
PRODUCT:	Shock Absorbers
SEGMENTS SERVICED:	Two Wheelers
MAJOR OEM CUSTOMERS:	HMSI

Manufacturing Facilities

COMMERCIAL VEHICLES

DEWAS, MADHYA PRADESH

COMMENCED PRODUCTION:	1992
LOCATION:	Dewas
PRODUCT:	Shox - Commercial Vehicle
SEGMENTS SERVICED:	OE / After Market / Export
MAJOR OEM CUSTOMERS:	Tata Motors, Mahindra, Bharat Benz, Ashok Leyland, VE Commercial Vehicle, Daimler, Force Motors, Wheels India, MAN Trucks, Asia Motor Works, Ride Control LCC - USA
QUALITY CERTIFICATIONS:	TS - 16949 - 2009, OHSAS 18001 - 2007 ISO 14001 - 2005 QCFI life time membership



Manufacturing Facilities

CASTING FACILITY



CHAKAN, MAHARASHTRA

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



PASSANGER CARS

KHANDSA, GURGAON

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



Manufacturing Facilities

PASSANGER CARS



CHAKAN, MAHARASHTRA

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

SANAND, GUJRAT

COMMENCED PRODUCTION:	2010
LOCATION:	Sanand, Gujrat
PRODUCT:	Shock Absorbers and Struts (Final Assembly)
SEGMENTS SERVICED:	Passenger Cars
MAJOR OEM CUSTOMERS:	Tata Motors



Awards & Recognition



MAHINDRA SPD PERFORMANCE AWARD was presented by Dr. Pawan Goenka, Executive Director & President – Automotive, Farm Equipment & Two wheeler sector, Mahindra, Mr. Hemant Sikka, Chief Purchase Officer – Automotive, Farm Equipment sector and Mr. Pravin Shah, Chief Executive – Automotive Division & International Operations to Mr. Manoj Kolhatkar, Managing Director Gabriel India & Mr. Mr. Deepak Chopra, Anand Group CEO and Chairman Gabriel India during Annual Vendor Conference at Zurich

Mr. Manoj Kolhatkar (Second from right), Managing Director, Gabriel India, Mr. Deepak Chopra (Second from left), Anand Group CEO & Chairman Gabriel India, receiving Mahindra SPD Performance Award from Dr. Pawan Goenka, Executive Director & President - Automotive, Mahindra.

LOVE THE DETAILS AWARD

(Best Implementation 2012-13) by Volkswagen Gabriel India, received the 'Love the details' (Best Implementation 2012-13) category at Supplier Quality Day 2013 organised by Volkswagen, Chakan.

Mr Manoj Kolhatkar (extreme right), Managing Director, Gabriel India, Mr Sandeep Balooja (extreme left), Group President, Business Development and Mr Rajendra Abhange (second from left), CTO, receiving the prestigious award for "Love the details" from Volkswagen India, Chakan



QUALITY AWARD "GOLD" FROM BAJAJ AUTO LTD TO CHAKAN PLANT

Gabriel India has won the Quality Award 'Gold' from Bajaj Auto Ltd for the second time in succession.

Mr. Sunil Vaichole and Gabriel Team receiving " Gold Quality Award" at Bajaj Vendor Conference.

YAMAHA INDIA (IYML) AWARD FOR EXCELLENCE SALES SUPPORT

IYML rewarded Gabriel a special award for 'Excellence in Sales Support' for the year 2013 at their Annual Vendor Meet in Delhi. The award was given as a recognition of a special initiative taken by Gabriel to boost YAMAHA INDIA sales by conducting sales camps. It is the third award in three years that YAMAHA INDIA has presented to Gabriel.

Mr Manoj Kolhatkar, Managing Director, Gabriel India and Gabriel Team receiving a special award for 'Excellence in Sales Support' for the year 2013 at Yamaha Annual Vendor Meet 2014



Corporate Social Responsibility

Commitment to the society is our prime focus

Gabriel continues to work actively towards enabling lives and livelihood, as a responsible corporate citizen, in its operations. We believe that a good foundation for leading a better life is through societal development. We support social initiatives through field level activities, which helps in fostering the "spirit of giving" among other corporates/partners in the neighbourhood.

Gabriel supports activities conducted by "Sant Nischal Singhji" Foundation (SNSF), the social engagement arm of Anand Group. Over the years, we have been supporting development activities among communities in the vicinity of all geographical locations where we have our manufacturing bases.

Gabriel's decided to set up facilities in backward areas in north, west and southern parts of India, starting from 70s. This has helped to provide employment opportunities for the unemployed youth, especially women and develop the town as an industrial base.

Some of the key activities and locations where Gabriel is actively involved include

VOCATIONAL TRAINING - Actively supported Vocational training initiatives of SNSF in Dewas.

It has enhanced reach to aspiring young rural population, by providing them basic computer skill building, hair and beauty training programme and nursing training programme.

HEALTH AWARENESS - The team from Gabriel Parwanoo, regularly visits Himachal Primary School to keep a check on their basic needs and runs a dispensary and various medical programmes, especially for the downtrodden section of the society, living in Parwanoo.

EDUCATION ACESABILITY - Gabriel actively engages itself in a school for blind children situated near Chakan. The school houses 86 children who have limited or no vision; they reside and study at the school. Teams from Gabriel visit the school at regular intervals to organise events for the children. The teams also spend time with the management to understand the needs of such visually challenged children and aim to help in every possible way.



Birthday Celebration at Blind School



Holi Celebration at Blind School



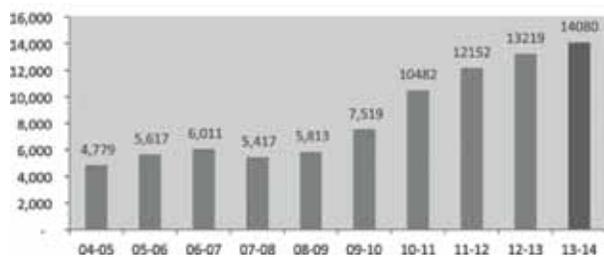
Lunch sponsored by Gabriel India on occasion of birthday celebration

Financial Highlights



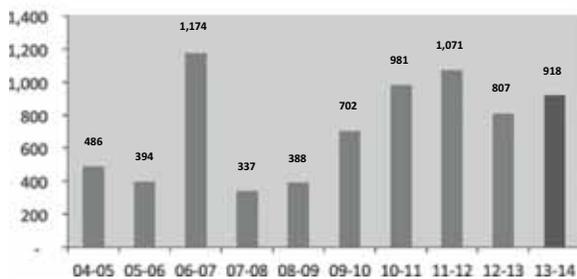
Gross Sales

(Rs. Million)



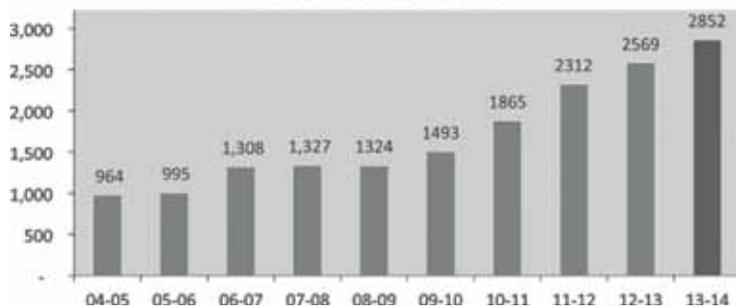
EBITDA

(Rs. Million)



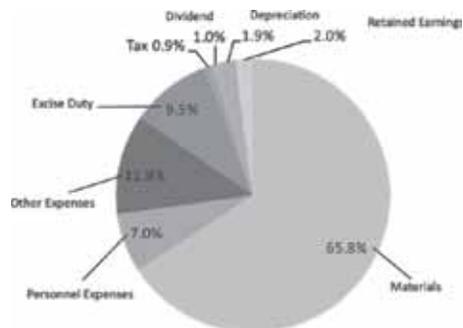
Shareholders' Funds

(Rs. Million)



Distribution of Income

(In %)





Financial Highlights

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	2013-14	2012-13
Domestic Sales (Rs. Million)	12,387.0	11,544.8
Export Sales (Rs. Million)	358.2	415.5
Total Sales (Rs. Million) (Net of Excise)	12,745.2	11,960.3
Profit Before Exceptional Items & Tax (Rs. Million)	599.6	471.19
PBT Before Exceptional Items as a % to Sales	4.7 %	3.9%
Profit After Tax (Rs. Million)	426.0	381.3
PAT as a % to Sales	3.3 %	3.2 %
Return on Capital Employed (%)	18.4 %	15.8 %
Book Value per Share (Rs.)	19.9	17.9
Earning per Share (Rs.) - Basic & Diluted	3.0	2.7
Dividend per Share (Rs.)	0.9	0.8



Working Results at a Glance



Year	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
	Rs. Million									
Share Capital	72	72	72	72	72	72	72	72	144*	144
Reserves & Surplus	892	923	1,236	1,255	1252	1421	1,794	2,241	2,425	2,708
Shareholders Funds	964	995	1,308	1,327	1,324	1,493	1,865	2,312	2,569	2,852
Loans	913	1,033	736	1,461	1,569	1,488	1,512	1,230	806	660
Deferred Tax Liability	217	195	106	104	106	141	157	133	111	96
Funds Employed	2,094	2,222	2,150	2,892	2,999	3,122	3,534	3,676	3,485	3,607
Fixed Assets(Gross)	2,545	2,729	2,251	2,786	3,218	3,479	3,933	3,966	4,658	5,046
Depreciation	1,200	1,352	1,070	1,193	1,306	1,514	1,724	1,791	2,040	2,249
Net Block	1,345	1,377	1,181	1,593	1,912	1,844	2,209	2,175	2,618	2,797
Investments	10	10	10	143	133	133	133	0	0	0
Net Current Assets	739	836	960	1,157	954	1,965	1,192	1,500	866	810
Net Assets Employed	2,094	2,222	2,150	2,893	2,999	3,122	3,122	3,676	3,485	3607
	Rs. Million									
Gross Sales	4,779	5,617	6,011	5,417	5,813	7,519	10,482	12,152	13,219	14,080
EBITDA	486	394	1,174	337	388	702	981	1,071	807	918
Interest	70	83	66	75	163	148	171	170	123	90
Depreciation	153	158	127	138	153	202	219	276	273	271
Profit/(Loss) Before Tax	263	153	981	124	72	352	591	624	412	558
Tax	84	64	250	47	16	112	120	94	30	132
Prior Period Items							17			
Profit/(Loss) After Tax	179	88	731	76	56	240	453	531	381	426
	Rs.									
Dividend per Share	7.0	0.9	0.7	0.9	0.7	0.9	1.0	1.0	0.8	0.9
Earnings per Share	24.9	1.2	0.8	3.4	0.8	3.4	6.3	3.7	2.7	3.0
	Million Nos.									
Production										
Shock Absorbers, Struts & Front Forks	9.8	10.9	12.4	11.8	10.8	14.6	18.4	19.6	19.7	22.2
Bimetal Bearings	8.9	9.2	-	-	-	-	-	-	-	-

* The Bonus Shares were allotted by the Company in the ratio of 1:1 which were approved by the shareholders/members in the Extra Ordinary General Meeting dated 2nd July, 2012





NOTICE OF ANNUAL GENERAL MEETING

24

ANNUAL REPORT 2014

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Members of GABRIEL INDIA LIMITED will be held at the Auditorium, Gabriel India Limited, 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501, Maharashtra on Friday, 8th August, 2014 at 2.30 p.m. to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Financial Statements for the year ended 31st March, 2014 and Reports of Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Deepak Chopra(DIN No. 00028770), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

Special Business

5. To Consider and, if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution:

"RESOLVED THAT Mr. Rohit Philip (DIN No. 06625425) who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. Mahendra Goyal under section 262 of the Companies Act, 1956 by the Board of Directors in their Board Meeting dated 13th November, 2013 and holds office upto the date of ensuing Annual General meeting and in respect of whom the Company has received from a member, a notice in writing, under Section 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- (Rupees one lacs only) proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company and that Mr. Rohit Philip will be liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** in accordance with the provisions of Section 197 of the Companies Act, 2013(erstwhile Sections 198, 309(4) of Companies Act, 1956) and all other applicable provisions, if any, or any statutory modification(s) or re-enactment thereof, the Company do hereby renew the Special Resolution, authorizing the payment of commission at the rate upto one percent of the net profits of the Company in each year to be paid annually to the Directors of the Company other than Directors who are in the whole time employment, for a further period of 5 years commencing from the financial year starting April 1, 2014 and that such commission may be divided amongst such Directors and in such manner or proportion as may be decided by the Non-Executive Chairman.

RESOLVED FURTHER THAT the aforesaid commission shall be exclusive of the fees payable of such Directors for the meetings of the Board or Committees of the Board attended by such Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this Resolution."

7. To Consider and, if thought fit, to pass with or without modification(s) the following resolutions as a Special Resolution :-

"RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and the applicable rules (erstwhile section 293(1)(d) and other applicable provision of the Companies Act,1956), the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the amount already borrowed by the Company (apart from temporary loans obtained from Company Bankers in the Ordinary course of its business), may exceed the aggregate for the time being of the paid up capital of the Company and its free



reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs.5000 Million.(Rupees Five Thousand Million only)”

8. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution : -

“RESOLVED THAT pursuant to the provisions of Sections 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the public and Members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

“RESOLVED FURTHER that the Board of Directors or a Committee thereof be and is hereby authorized to finalise the scheme for invitation and acceptance of fixed deposits from the Members and the public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Place : Pune
Date : May 14, 2014

Registered Office :
29th Milestone,
Pune-Nashik Highway,
Village Kuruli, Taluka Khed,
Pune - 410 501
Maharashtra, India
CIN : L34101PN1961PLC015735

By Order of the Board
For Gabriel India Limited

Sarang Deshpande
Company Secretary



Notes:

1. Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the company. The instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 1st August, 2014 to Friday, 8th August, 2014 (both days inclusive).
4. Dividend, as may be declared by the Members at the meeting, will be paid to those Members whose names stand on the Company's Register of Members as on Friday, 8th August, 2014. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Friday, 8th August, 2014.
5. Members are advised that respective bank details and address as furnished by them or by NSDL / CDSL to the Company, for shares held in the certificate form and in the dematerialized form respectively, will be printed on their dividend warrants as a measure of protection to Members against fraudulent encashment.
6. **Members holding shares in the certificate form are requested to notify / send the following to the Company's Registrars and Share Transfer Agents, Karvy Computershare Private Limited (Unit: Gabriel India Limited) at 'Karvy House', 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034, (Tel. 040 23312454 / 23320751 / 752 / 251 ; Fax : 040 2331 1968, 2332 3049, email : einward@karvy.com) to facilitate better servicing :**
 - i) any change in their address / mandate / bank details,
 - ii) particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact company or Karvy Computershare Pvt. Ltd. For assistance in this regard.
8. Members holding dematerialised shares are requested to register /update their email address by providing the details as per the format mentioned below and send it back to us. They may also register / update their email address with their Depository participant and the same shall be deemed to have been registered with the company for the purpose of sending the said communications/documents;

Name of the Shareholder(s):	
Client Id & DP Id.:	
Email address:	
Mobile No.(optional):	

9. Members holding physical share certificates are requested to register /update their email address by providing the details as per the format given below and send it back to us.

Name of the Shareholder(s):	
Folio No.:	
Email address:	
Mobile No.(optional):	

10. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. Members are also requested to note that unclaimed / unpaid dividends upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims to the Registrar of Companies, PMT Building, 2nd Floor, Deccan Gymkhana, Pune - 411 004 by submitting an application in the prescribed Form No. II.

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend for the financial year ended March 31, 2007, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government later this year.

Members who have not encashed their dividend warrants for the financial year ended 31st March, 2007, or any subsequent years are requested to lodge their claim with the Company's Share Transfer Agents, Karvy Computershare Private Limited.

Members are advised that no claims shall lie with Company in this respect once the unclaimed dividend is transferred to the Investor Education and Protection Fund.
12. Members desirous of making a nomination in respect of their shareholders, as permitted by section 109A of the Companies Act, 1956, are requested to write to the Share Transfer Agent of the Company for the prescribed form.
13. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. Additional particulars of Directors retiring by rotation and eligible for appointment /re-appointment pursuant to Clause 49 of Listing Agreement are mentioned in the enclosed Annexure A & B.
15. Note and Instructions on e-voting have been Annexed. Members are requested to cast their votes by using e-voting facility.

Place : Pune
Date : May 14, 2014

By Order of the Board
For Gabriel India Limited

Registered Office :
29th Milestone,
Pune-Nashik Highway,
Village Kuruli, Taluka Khed,
Pune - 410 501
Maharashtra, India
CIN : L34101PN1961PLC015735

Sarang Deshpande
Company Secretary

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Rohit Philip

Mr. Rohit Philip was appointed as a Director of the Company with effect from 13th November 2013 in the casual vacancy caused by the resignation of Mr. Mahendra Goyal. In accordance with the provisions of Section 262 of the Companies Act, 1956. Mr. Rohit Philip holds office upto the date of ensuing Annual General Meeting of the Company.

Notice, in written, alongwith deposit of Rs. 100,000/- (Rupees One Lacs only), has been received by the Company from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Rohit Philip as a candidate for the office of Director of the Company.

Your directors feel that the Company would benefit from rich and varied experience possessed by Mr. Rohit Philip. The Director, therefore, recommend his appointment.

Except Mr. Rohit Philip, none of the Directors, Key Managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

ITEM NO. 6.

A commission upto one percent of the net profits of the Company computed in the manner laid down under Section 197 and the Companies Act 2013 (erstwhile Section 198 of the Companies Act, 1956) in each year was sanctioned for payment to the Directors of the Company other than the Managing Director / Whole-Time Director/s, by a Special resolution passed at the Annual General Meeting held on July 30, 2001. Under the provisions of Section 197 of the Companies Act 2013 (erstwhile Section 309(7) of the Companies Act, 1956), the aforesaid resolution can be renewed from time to time by a special resolution for further periods of not more than five years each. Since the Special Resolution has fallen due for renewal, and to continue to avail of the benefits of professional expertise and business exposures of the eminent personalities on the Board of the Company, it is proposed to renew the same, for a further period of five years commencing from the financial year starting from 1st April, 2014.

The Directors of the Company except the Managing Director / Whole-Time Director/s are deemed to be interested in the Resolution set out in Item No. 6 of the Notice to the extent of the commission that may be received by them. None of the Directors and Key Managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

ITEM NO. 7

Section 180(1)(c) of the Companies Act, 2013 and the applicable rules notified requires that all the resolutions relating to the erstwhile section 293(1)(d) before the commencement of the Companies Act 2013 should be placed in the General Meeting to obtain the consent of the shareholders to enable the Company through its Board of Directors to borrow moneys where the amount to be borrowed together with amount already borrowed will exceed the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

The Shareholders are aware that at the 33rd Annual General Meeting held on August 24, 1995, an ordinary resolution was passed authorizing the Board of Directors of the Company to borrow from time to time for the purpose of carrying the business of the Company, subject to the condition that money, so borrowed shall not exceed Rs. 1500 Million (Rupees Fifteen Hundred Million).

Further at the 48th Annual General Meeting an ordinary resolution was passed which was in view of the increase in the volume of business and taking into account the requirement of funds for expansion and hence the borrowings limit was further increased from Rs. 1500 Million (Rupees Fifteen Hundred Million) to 5000 Million (Rupees Five Thousand Million). Accordingly, pursuant to Section 180(1)(c) of the Companies Act 2013, it desirable to obtain the consent of the shareholders to



regularize the borrowing limits and ratify the resolution already passed. Your Board of Directors request your consent/approval for regularizing/ratifying the said resolution.

None of the Directors, Key Managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

ITEM NO. 8

The Board of Directors at their meeting held on May 14, 2014, have in-principle approved and recommended the invitation and acceptance of Fixed Deposits from the members and public pursuant to Sections 73 and 76 of the Companies Act, 2013 (“Act”) and Companies (Acceptance of Deposits) Rules, 2014 (“Rules”). The Fixed Deposit program has already been credit rated by CRISIL as FAA-/Stable. It is proposed to authorise the Board or a committee thereof to negotiate and finalise the terms of Unsecured Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto.

In compliance with the provisions of Section 73 and 76 of the Act, read together with Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of Special resolution is being sought.

The Board recommends the Resolution set out at Item No.8 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution, except to the extent of any Fixed Deposits that may be placed with company by the them, their relatives or by the companies/institutions in which they are directors.



ANNEXURE - 'A'**Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49IV (G) of Listing Agreements)****Mr. Deepak Chopra**

Name of Director	Mr. Deepak Chopra
Date of Birth	25.12.1954
Date of Appointment	21.05.2008
Expertise in functional Area	Finance
Qualifications	CA & CS
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. AFM India Limited 2. MahleBehr India Limited 3. Dytek India Limited 4. Spicer India Limited 5. Mando Automotive India Limited
Memberships/Chairmanships of Committees of Directors of the Company	<ol style="list-style-type: none"> a. Audit Committee b. Remuneration Committee c. Share Transfer Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Spicer India Limited 2. MahleBehr India Limited

Mr. Rohit Philip

Name	Mr. Rohit Philip
Date of Birth	27.10.1970
Date of Appointment	13.11.2013
Expertise in functional Area	Finance
Qualifications	Graduate in Mathematics, MBA
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. Anand Automotive Limited 2. Chang Yun India Limited 3. Haldex India Limited 4. Valeo Friction Materials India Ltd 5. Mando Automotive India Limited
Memberships/Chairmanships of Committees of Directors of the Company	<ol style="list-style-type: none"> 1. Audit Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Chang Yun India Limited 2. Haldex India Limited 3. Valeo Friction Materials India Ltd

Report of the Board of Directors

Your Directors take pleasure in presenting the Fifty-second Annual Report together with the Audited Accounts for the year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

	Year ended March 31, 2014 (Rs. Million)	Year ended March 31, 2013 (Rs. Million)
Net Sales	12,745.2	11,960.3
Profit before interest and Depreciation	918.3	807.5
Interest	90.0	122.9
Depreciation	270.7	272.8
Profit/ Loss before tax	557.6	411.8
Provision for Current Tax (Net of MAT credit)	113.0	73.5
Provision for Deferred Tax	(15.0)	(22.9)
Profit/ Loss after Tax for current year	459.6	361.2
Provision for Tax for earlier years	33.6	(20.2)
Profit/ Loss after Tax	426.0	381.4
Dividend		
Interim	50.3	43.1
Final Proposed *	71.8	64.6
Dividend Tax	20.8	17.5
Transfer to/ (from) General Reserve	62.8	38.1

* Subject to the approval of Shareholders

DIVIDEND

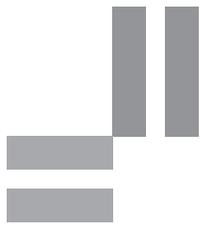
Your Directors had declared an interim dividend of Rs. 0.35 per equity share of Re. One each (Previous Year Interim Dividend's of Rs. 0.30 per equity share of Re. One each). This dividend amounted to Rs. 50.27 Million (previous year Rs.43.1 Million). The same was distributed to the shareholders whose name appeared in the Register of Members as on November 29, 2013. Your directors have further recommended for approval of shareholders a final dividend of Rs. 0.50 per equity share of Re. One each (previous year Rs. 0.45 per equity share of Rs. One each).

The proposed Final dividend would amount to Rs. 71.82 Million (previous year Rs. 64.63 Million). The final dividend, subject to its declaration will be distributed to the shareholders whose name appears on the Register of members as on August 08, 2014.

INDIAN ECONOMY

In FY 2013-14, the Indian Economy is expected to grow by 4.9% as against a growth of 5.0% in previous year. There is a continued slowdown in industrial sector as well which is expected to grow only by 0.7% (compared to previous year of 1.0%). The slowdown is mainly due to internal uncertainties on policies, high inflation, high interest rate impacting slow infrastructure growth and private capital formation. Consequently, the investor and retail sentiment was also negative.

However, as domestic consumption pattern backed by increasing per capita income and continued advantage of low cost manufacturing, India is slated to emerge as one of the key growth economies in world and also as major auto component hub in Asia. The overall Sales Growth in auto sector during the FY 2013-14 was close to 4.0%. Low growth for past two years has affected the Auto Industry negatively. The Commercial Vehicle followed by passenger car segment was the most affected with negative growth in FY 13-14. The Two wheeler segment posted single digit growth bringing some respite to industry. The continued increase in fuel prices, high interest rates, slow growth in economy and poor sentiment dampened the auto industry growth in every segment.



PERFORMANCE

The Auto industry grew overall by 4.0% with Passenger Vehicles segment recording a negative growth of -4.9%, Commercial Vehicles segment degrew by -16% and Two wheeler segment registered positive growth of 7.2% compared to previous year.

The Company has recorded total sales at Rs.12,745 Million, (Previous Year Rs. 11,960 Million), registered a growth of 6.5%, which is slightly higher than the overall industry trend. The Profit After Tax was Rs. 426.0 Million (Previous Year Rs. 381.4 Million). As a result, the Earnings Per Share increased to Rs. 2.97 from Rs. 2.65 in the previous year.

EXPORTS

The Company's focused approach on exports from 2013 onwards has unwrapped multiple global opportunities including few breakthroughs in high potential markets. Establishing network in 8 new geographies has now enabled us to make presence all the six Continents. Through structured market research & systematic approach, we have ingrained the seeds of GIL competencies worldwide to ensure exponential growth with most of the Global OEMs in near future.

During 2013-14, We faced major challenges in exports as the sales reduced to Rs. 358 Million from Rs. 415 Million due to drop in sales to a global customer in one of the key markets due to the local political turbulence. However with the revival of the market, we see promising exports in year 2014-15 & onwards.

AFTER MARKET

After Market continue to record a robust growth of 19% in the current year by achieving sales of Rs. 1,416 Million. This increase achieved primarily due to aggressive launch of new products and deeper geographical penetration in this segment. The focus on this segment will continue in the coming years. The Company has launched a unique initiative to strengthen the Gabriel brand and connect with retailer by launching “**ELITE RETAILER**” program. Five Hundred premier retailers pan-India have been selected for interaction in the first phase.

OPERATIONS

Some of the key highlights for each of the plants are as below

1. Parwanoo (Himachal Pradesh) :

Brief – Parwanoo plant has been on a growth trajectory since its inception. With this year being no different, it has posted a strong 20% growth. It mainly delivers GRC shox, SOQI shox, McPherson struts and Front forks. It has also improved in terms of 5S and energy management resulting in substantial reduction of energy cost / unit production this year.

Key Highlights – The plant added 13 quality circles in the year 2013-14. It has also added several new products for the Aftermarket and also made substantial improvements in using level production system (Heijunka).

Accolades - The plant won Gold award in QFCI Chapter, New Delhi for quality circle.

2. Khandsa (Haryana) :

Brief – Khandsa plant has always been implementing Lean Manufacturing concepts to ensure its competitive edge. The entire team at the plant works towards focused improvement on line efficiency, human productivity and RM reduction in 2013-14

Key Highlights – Traditionally Khandsa plant has been delivering quality products to its maiden customer - Maruti Suzuki. However, in order to improve product diversity it has taken several steps last year to add new customers successfully

Accolades - The plant has received many awards like Excellence Award in National convention Quality award Kolkata, Gold Award in QCFI North zone competition, etc.

3. Chakan (Maharashtra):

Brief – The chakan plant set a new benchmark in all the facets of manufacturing and has won many accolades from reputed customers for enhanced quality and delivery performance.

Key Highlights – Installation of State - of - Art technology equipment's and processes for chrome plating, painting, laser welding and components cleaning have played a big role in reducing the carbon foot print. It had been showcased by renowned customers like M/s Toyota and Volkswagen to their suppliers as “Bench mark plant”



Accolades – The plant won prestigious awards in people practice, “Best place to work in Anand Group” and “Best Anand Heijunka Production System implementation” at group level in 2013. It also won Bajaj “Gold quality award” consistently for two years, “Certificate of appreciation for good practices in quality system” from FICCI. It won three gold awards from QCFI for quality circles allied concepts and many awards at Toyota, M & M & Tata’s organized QC competitions. The Chakan plant show-cased its futuristic technology at Volkswagen Vendor meet which was witnessed by representatives from across the globe and was awarded the, “Love the details” award from Volkswagen.

4. Aluminum Casting Facility : Chakan (Maharashtra) :

Brief – The plant has taken some innovative actions to improve its competitiveness and quality produces in specialty Aluminum castings for front forks. The facility is focusing on increasing plant efficiency, quality and reduction of carbon foot print by using innovation as the main theme.

Key Highlights – It has Developed “New front fork outer tube Casting” for Honda Motors & Scooters and new products for Yamaha & Royal Enfield. The plant has successfully commissioned in manufacturing of Alloy AC4D project as well.

Accolades - This facility has improved substantially, the efficiencies and energy Management systems and has Won the Prestigious “Trailblazer Innovation award” from Anand Corporate.

5. Ambad (Maharashtra):

Brief – The plant has achieved a new milestone by achieving the highest ever sales in the history of the plant with record growth of 35% in 2013-14.

Key Highlights – Capacity expansion has been done for addressing new business opportunities acquired from Mahindra 2 wheelers, Honda & Yamaha

Accolades - The plant has set bench marks for quality by winning Customer and Industry Awards for example TPM Award from Bajaj, Platinum Award in 2013 from FICCI for 2nd consecutive year, New Delhi & Honda National level Quality Circle Award..

6. Dewas (Madhya Pradesh):

Brief – In spite of a reduced demand for commercial vehicles, the plant continued to excel in all its performance Ratios and managed to retain its top line. This was also possible by increasing the exports from the plant. The plant also focused on various effective cost cutting measures during the year.

Expansion Plans – First ever pilot lot was dispatched for US market in March’14. Dewas plant has also embarked upon reducing carbon footprints.

Accolades - The plant won Best supplier award from WHEELS INDIA, under the category “Continuous improvement- Quality and Delivery”.

7. Hosur (Tamil Nadu):

Brief – It continues to be the largest of all Gabriel Plants and even crossed a milestone of Rs 4000 Million sales. The plant made substantial improvement towards lean manufacturing and decongesting the operations. It focused on process improvement, Automation, vendor reduction and plant re-layout in the last financial year.

Expansion Plans – The plant inaugurated 2 wheeler R & D Tech Centre on 23rd December, 2013. It has also set up a new facility at Malur (Karnataka) and production commenced from May 2013 servicing Honda Motorcycles & Scooters India.

Accolades - The plant won IMYL award for Excellence in Sales in the year 2013-14.

8. Sanand (Gujarat): The Plant continues to service TATA Nano from its Sanand facility.

FIXED DEPOSITS

Fixed deposits at the end of the year were Rs.184.65 Million (Previous year Rs.164.10 Million) .The Company has revised the interest rate on its various deposits program during the year downwards.

CREDIT RATING

The credit rating of the Company was revised to CRISIL A+ (Stable) from CRISIL A (Stable) by CRISIL for long term and short term rating was reaffirmed at CRISIL A1 in the month of Dec’13. The long term rating indicates adequate degree of safety regarding timely servicing of financial obligations, carrying low credit risk. The short term rating indicates very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.





TECHNOLOGY

The Company continues to have tie-up with KYB Japan for various models on platform basis. The Company continues to invest in its R&D activities and testing facilities to enable robust design and faster launch of new products apart from higher customer satisfaction. The same is reflected in rewards and accolades received from the OEM customers.

The Company has inaugurated a new Two-wheeler R&D Centre at its Hosur plant in December 2013. The new R&D centre at Hosur, dedicated for ride control products for two-wheelers would strengthen our ability to co-develop right from the drawing board stage with our OEM customers, products which are cost effective and suitable for the Indian road conditions and which ensure superior ride comfort and safety for the Indian consumers. The purpose behind this new R&D centre is to establish a world class centre encompassing product and process design, and prototyping and evaluation section. The facility is fully equipped to develop and provide any type of two wheeler suspension products. With this, Gabriel India would become a complete solution provider to its customer for the suspension systems. The centre will offer advanced products and features, after robust internal testing, so that customer gets products which are defect free and reliable. Also, the centre intends to provide conducive environment for its people to encourage creativity and innovation. By this significant milestone, we will improve our speed, agility and quality of product development, thereby increasing customer confidence and satisfaction. In addition to this new R&D center, Gabriel India has a dedicated R&D set up for passenger cars and commercial vehicles segment at Pune.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, information relating to the foregoing matters is given by way of an Annexure to this Report.

DIRECTORS

The Board of directors deeply appreciated the contribution of Mr. Mahendra Kumar Goyal who has resigned w.e.f October 25, 2013. Mr. Mahendra Kumar Goyal has given his valuable guidance all along. Mr. Rohit Philip was appointed as a director in the casual vacancy caused by the resignation of Mr. Mahendra Goyal w.e.f. 13th November, 2013.

In accordance with Article 123 of the Articles of Association, Mr. Deepak Chopra, retire by rotation and being eligible, offer himself for re-appointment.

Director's Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. in the preparation of the financial statements, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Profit and Loss Account for the year ended March 31, 2014;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges is annexed thereto.





AUDITORS

Messers BK Khare & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the proposed re-appointment, if made, will be in accordance with sections in Companies Act, 2013.

EMPLOYEE RELATIONS

Employee relations were cordial at all locations.

A number of initiatives are being taken for all employees - Operating Engineers as well as staff for enhancing "employee value". This includes skill enhancement, training and soft skills development. Coaching/guidance for selected talent is also included. This initiative is aimed at preparing the Company for high growth in the coming years. The Company continues its initiative in Employee development by way of several developmental programs with support from Anand group.

The Directors are pleased to record their appreciation of the services rendered by the employees and staff at all levels.

PARTICULARS OF EMPLOYEES

As required under the provisions of Sub-Section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, particulars of employees are set out. As per the provisions of Section 219 (1)(d)(iv) of the said Act, these particulars would be made available to any shareholder on request.

ACKNOWLEDGEMENTS

Your Directors wish to thank the Collaborators, Technology Partners, Financial Institutions, Bankers, Customers, Suppliers, Shareholders and Employees for their continued support and co-operation.

For and on behalf of the Board

Place : Pune
Date : May 14, 2014

Deepak Chopra
Chairman





Annexure to the Directors' Report

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ANNUAL REPORT 2014

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2014

I. Conservation of Energy

Your Company has been continuously working towards energy conservation with innovative solutions. This year the Company has worked mainly in following areas:

1. Energy efficient lighting system
3. Reducing consumption of petroleum products such as LPG, Furnace Oil and diesel
4. Optimizing machine up-time for high power consumption machines.
5. Recycling waste energy
6. Energy efficient cleaning systems.

The Company's innovative energy conservation and green technology efforts have been recognized in the Corporate World and showcased by them as success stories in their websites.

II. Particulars as per Form B

Research and Development (R&D)

1. Specific areas in which R&D was carried out by the Company

- a) Developed indigenous shock absorbers for small cars / utility vehicles and trucks and buses
- b) Launched several products for after market
- c) Launched several innovation projects for reducing complexity in product and process
- d) Various localization and VA/VE proposals carried out for shock absorbers and components

2. Benefits derived as a result of the above R&D

- a) Customer satisfaction
- b) Cost reduction
- c) Improving market penetration
- d) Reduced business complexity
- e) Technology edge
- f) Eco-friendly products
- g) Benchmarking and upgradation of product and processes

3. Future plan of action

- a) Company is focusing on innovation in product and process technology as well as operational excellence to achieve bench mark performance in ride control products. Special focus is given on cost reduction

4. Expenditure on R&D

	Rs. Million
Capital	: 77.97
Recurring	: 118.65
Total	: 196.63
Total R&D expenditure as percentage of total turnover	: 1.5%



Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology adaptation and innovation:

Technology from Kayaba Industry Co. Ltd, Japan was used for manufacture of Shock Absorbers, McPherson Struts & Front Forks mainly for Japanese OEMs in India.

KYB Suspensions, Europe, SA a wholly owned subsidiary of Kayaba Industry Co. Ltd, Japan provided technology for new generation vehicles of European origin.

Technical Assistance with Yamaha Motor Hydraulic System Company Limited, Japan (formerly SOQI) for technology of Front Fork and two wheeler Shock Absorbers.

2. Benefits derived as a result of the above efforts are acquiring new business, product development, import substitution, product improvement and cost reduction.

3. Particulars of imported technology in the last five years:

Technology development and assimilation is an ongoing process. In order to meet the ever increasing demand of customers and continuously changing global standards, continuous access to proven foreign technology is available.

4. R&D facilities for Ride Control products for four wheelers (passenger cars, commercial and utility vehicles) at Gabriel Chakan and for Two and Three wheeler at Hosur, Tamil Nadu are being upgraded and expanded for improved capabilities of design, engineering, validation and testing.

New State-of-Art ride tuning van developed for passenger vehicles and Commercial Vehicles business.

5. The Company pioneered development, installation and commissioning of fully robotic assembly line for Shock absorbers at Hosur plant.

New Technology centre established in Hosur for two wheeler application

III. Foreign Exchange Earnings and Outgoings

Total foreign exchange earned and used:

Earnings	Rs. 346 Million	(Previous year Rs. 400 Million)
Outgoings	Rs. 2012 Million	(Previous Year Rs. 1966 Million)

For and on behalf of the Board

Place : Pune
Date : May 14, 2014

Deepak Chopra
Chairman





Report on Corporate Governance

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

The Company's philosophy of Corporate Governance aims at establishing and practicing a system of good corporate governance which will assist the management in managing the Company's business in an efficient and transparent manner in all facets of its operations and in its interaction with stakeholders namely :-

- Shareholders : as providers of risk capital, to provide them a reasonable return and enhance shareholder value;
- Customers : to provide adequate customer service focusing the activities on customer expectations and meeting them.
- Environment : to adhere to the environment standards to make the Product and process, environment friendly.
- Employees : to promote development and well-being
- Society : to maintain Company's economic viability as producer of Goods and services and
- Other stakeholders : fulfilling the obligations towards other stakeholders namely government, suppliers, creditors, etc.

Clause 49 of the Listing Agreement with Stock Exchange sets up norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report.

2. Board of Directors

- Composition

The strength of the Board of Directors as on March 31, 2014 was 6 Directors. The Board comprises of one Executive Director designated as Managing Director. The rest are Non-Executive Directors. The Board meets the requirement of not less than one third being Independent Directors.

Details of Board Meetings held during the financial year 2013-14

Dates of Meetings	Board Strength	No. of Directors present
4 th April, 2013	6	5
27 th May, 2013	6	5
12 th August 2013	6	6
13 th November, 2013	6	5
7 th February, 2014	6	5
20 th March, 2014	6	5

The maximum time gap between any two meetings was not more than four months

The Composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships, committee memberships and chairmanships held by them are given below:



Attendance at Board Meetings and at the last AGM and details of memberships of Directors in other Boards and Board Committees:

Directors	Details		Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships held in Public Limited Companies		
			Board Meeting	Last AGM	Director-ships*	Committee## Memberships*	Committee Chairmanships*
	Category	Shares held as on 31 st March 2014					
Mr. Deepak Chopra	NEC	165000	6	Yes	5	1	3
Mr. Manoj Kolhatkar	MD	4000	6	Yes	1	-	-
Mr. HR Prasad	NEDI	29200	6	Yes	2	2	1
Mr. Rajeev Vasudeva	NEDI	0	1	Yes	0	0	0
Mr. Gurdeep Singh	NEDI	30000	6	Yes	4	3	1
Mr. Mahendra Goyal#	NED	18907	3	Yes	7	6	2
Mr. Rohit Philip@	NED	0	3	NA	5	3	1

NEC: Non- Executive Chairman; MD: Managing Director; NED: Non Executive Director ; NEDI – Non Executive Director Independent. Directors who are chairpersons of Committees have been included in the list of members as well.

* Includes directorship and committee membership in other public limited companies only.

Mr. Mahendra Kumar Goyal resigned w.e.f. 25th October, 2013

@ Mr. Rohit Philip was appointed as a director in the casual vacancy caused by the resignation of Mr. Mahendra Goyal w.e.f. 13th November, 2013

Includes committee chairmanship as well.

The Board periodically reviews Compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non- compliances, if any.

3. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior management of the Company on December 29, 2005. The Code of Conduct has been posted on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code. A declaration to this effect signed by the Managing Director is enclosed separately. (Refer Appendix I)

4. Audit Committee

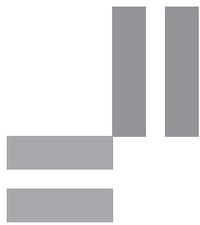
After the introduction of the amendment to Section 292A of the Companies Act, 1956, the Audit Committee was reconstituted in January 2001 and subsequently reconstituted in May 2006, in May 2008, in May 2011 and May 2013 .

This Audit Committee had four meetings during the year 2013-14. The composition of Audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of meetings	No. of meetings attended
Mr. H. R. Prasad	Chairman	4	4
Mr. Rajeev Vasudeva	Member	4	1
Mr. Gurdeep Singh	Member	4	4
Mr. Deepak Chopra	Member	4	4
Mr. Mahendra Goyal*	Member	4	1
Mr. Rohit Philip#	Member	4	2

* Mr. Mahendra Goyal resigned w.e.f. 25th October, 2013

Mr. Rohit Philip was appointed as a director in the casual vacancy caused by the resignation of Mr. Mahendra Goyal w.e.f. 13th November, 2013.



Members of the Audit Committee are eminent professionals and financially literate.

The Audit Committee meetings are held both at the Corporate Head quarters and plant locations and are attended by the Internal Auditors and the Chief Financial Officer. A representative of the Statutory Auditors is invited, as required. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee is an Independent Director and was present at the last Annual General Meeting of the Company.

The broad terms of reference of the Audit Committee are as follows:

- Review of the Internal Control and the Internal Audit System
- Review of the Company's financial reporting process, and its financial statements
- Review of accounting and financial policies and practices
- Review of risk management policies and practices
- Discussing with Statutory Auditors before the audit commences the nature and scope of audit, as well as having post audit discussion to ascertain any area of concern.
- Review of related party transactions.
- Review of process laid down for risk assessment and minimization procedure
- Review the cost accounting report

5. Remuneration to Directors

(A) Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee is as follows:

Member	Position
Mr. Deepak Chopra	Chairman
Mr. Gurdeep Singh	Member
Mr. Rajeev Vasudeva	Member

The Chairman of the Committee, Mr. Deepak Chopra is a Non-Executive Director.

The Remuneration Committee was constituted on May 14, 2001 and subsequently reconstituted in 23rd May 2006, May 21, 2008, May 27, 2011 and 27th May 2013.

The broad terms of reference of the Nomination and Remuneration Committee include recommendation to the Board of salary/ perquisites, commission and retirement benefits payable to the Company's Managing Director, Whole time Director and other Managerial Personnel.

Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the Letter of Appointment issued to him by the Company, the terms and conditions of which were approved by the Board of Directors and the Shareholders. The remuneration structure comprises of salary, perquisites and allowances, contributions to provident fund, superannuation and gratuity funds. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and such commission payable to such Non-Executive directors as may be determined by the Chairman.



(B) Details of the remuneration paid to Managing Director during the year 2013-14 are given below: -

Name of Executive Director	All elements of remuneration package i.e. salary benefits, bonuses, pension, etc. (Rs. In million)	Fixed component and performance linked incentives along with the performance criteria (Rs. In million)	Service contracts period, notice severance fees	Stock option with details, if any and issued at discount as well as the period over which accrued and over which exercisable
Mr. Manoj Kolhatkar Managing Director	11.81	Nil	Refer note 'a'	Refer note 'b'

- a) The agreement with the Managing Director is for 5 years. Either party to the agreement is entitled to terminate the agreement by giving not less than six months notice in writing to the other party.
- b) The Company does not have stock option scheme for grant of stock options either to the Executive Directors or employees.

(C) Details of the remuneration i.e. commission paid to Non-Executive Directors during the year 2013-14 are given below:-

Name of Directors	Commission paid for the year ended 31 st March 2013, paid during the year under review (Rs. In Millions)	Sitting Fees (Rs. In Millions)
Mr. Russi Jal Taraporevala*	1.50	Nil
Mr. H R Prasad	0.90	0.070
Mr. Rajeev Vasudeva	0.90	0.015
Mr. Gurdeep Singh	0.90	0.070

*Resigned w.e.f. 2nd April, 2013

6. Investors / Shareholders' Grievance Committee

The Investors / Shareholders Grievance Committee of the Board was constituted on May 14, 2001, reconstituted in May 2006 and subsequently in May 2008, May 2011 and May 2013 to look into the redressal of investors' complaints like non receipt of Annual Reports, interest payments, declared dividends, issue of duplicate certificate and other allied transactions.

The composition of Investors / Shareholders Grievance Committee and attendance at its meeting is given hereunder:

Member	Position	No. of meetings	No. of meetings attended
Mr. Rajeev Vasudeva	Chairman	4	1
Mr. Gurdeep Singh	Member	4	4
Mr. H R Prasad	Member	4	4
Mr. Mahendra Goyal*	Member	4	1
Mr. Rohit Philip#	Member	4	2

*Mr. Mahendra Kumar Goyal resigned w.e.f. 25th October, 2013

Mr. Rohit Philip was appointed as a director in the casual vacancy caused by the resignation of Mr. Mahendra Goyal w.e.f. 13th November, 2013

Details of Shareholders/ Investors Complaints / Requests for action (such as change of address, revalidation of warrants, etc.)

Number received during the year	200
Number resolved to the satisfaction of complainant	200
Number pending redressal	Nil
Number Pending Transfers	Nil

The Company has attended to most of the investor's grievances/ correspondence within a period of fifteen days from the date of receipt of the same, while almost all the rest were attended within maximum period of 30 days.

Name, designation and address of : Mr. Sarang Deshpande
 Compliance officer Company Secretary
 Gabriel India Limited
 29th Milestone, Pune - Nashik Highway,
 Village Kuruli, Taluka Khed, Pune - 410501

7. Share Transfer Committee

The Share Transfer Committee of the Board was constituted on May 14, 2001 and subsequently reconstituted in 2006, in May 2008, in May 2011 and May 2013 to approve transfer of shares. The composition of Share Transfer Committee is given hereunder:

Member	Position
Mr. Deepak Chopra	Chairman
Mr. Manoj Kolhatkar	Member
Mr. Mahendra Goyal*	Member
Mr. Rohit Philip#	Member

*Mr. Mahendra Kumar Goyal resigned w.e.f. 25th October, 2013

Mr. Rohit Philip was appointed as a director in the casual vacancy caused by the resignation of Mr. Mahendra Goyal w.e.f. 13th November, 2013

8. General Body Meetings

Details of the location of the last three AGMs and EGM and the details of the resolutions passed or to be passed by Postal Ballot.

a. Particulars of last three years Annual General Meetings

Financial Year	Date	Time	Location
2012-13	August 12, 2013	2.30 p.m.	29 th Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501
2011-12	August 21, 2012	2.30 p.m.	-do-
2011-12(EGM)	July 2, 2012	2.30 p.m.	-do-
2010-11	July 28, 2011	2.30 p.m.	-do-

b. No resolutions requiring Postal Ballot as recommended under clause 49 of the Listing Agreement have been placed for shareholder's approval at the meeting.

The Company has passed the following special resolutions during the year 2010 – 11, 2011-12 and 2012-13

- (1) Amendment of Articles of Association of the Company by increasing the Authorized Share Capital from Rs. 15 Crore to Rs. 16 Crore.
- (2) Amendment of Memorandum and Articles of Association of the Company and insertion of Video Conferencing Clause in the same.

Other than these the Company has not passed any special resolution in the last three Annual General Meetings and the Extra Ordinary General Meeting.



9. Notes on Directors seeking appointment / re-appointment as required under Clause 49IV(G) of the Listing Agreement entered into with Stock Exchanges.

ANNEXURE - 'A'

Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49IV(A) of Listing Agreement)

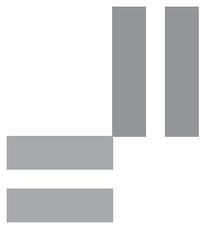
Name of Director	Mr. Deepak Chopra
Date of Birth	25.12.1954
Date of Appointment	21.05.2008
Expertise in functional Area	Finance
Qualifications	CA & CS
List of other Companies in which Directorships held:	1. AFM India Limited 2. MahleBehr India Limited 3. Dytek India Limited 4. Spicer India Limited 5. Mando Automotive India Limited
Memberships/Chairmanships of Committees of Directors of the Company	a. Audit Committee b. Remuneration Committee c. Share Transfer Committee
Memberships/Chairmanships of Committees of Directors of other Companies	1. Spicer India Limited 2. MahleBehr India Limited

ANNEXURE - 'B'

Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49IV(A) of Listing Agreement)

Name of Director	Mr. Rohit Philip
Date of Birth	27.10.1970
Date of Appointment	13.11.2013
Expertise in functional Area	Finance
Qualifications	Graduation in Mathematics, MBA
List of other Companies in which Directorships held:	1. Anand Automotive Limited 2. Chang Yun India Limited 3. Haldex India Limited 4. Valeo Friction Materials India Ltd 5. Mando Automotive India Limited
Memberships/Chairmanships of Committees of Directors of the Company	1. Audit Committee 2. The Investors / Shareholders Grievance Committee
Memberships/Chairmanships of Committees of Directors of other Companies	1. Haldex India Limited 2. Chang Yun India Limited 3. Valeo Friction Materials India Limited





10. Disclosures

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
None of the transactions with any of the related parties were in conflict with the interests of the Company at large.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
None
- Whistle Blower Policy
The Company has a whistle blower policy
- The Company has established the necessary mechanism in line with Clause 7 of Annexure 1D of Clause 49 of the Listing agreement for the employees to report concerns about unethical behavior.
No person has been denied access to the Audit Committee.
- Secretarial Audit
A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Secretarial Audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in Physical form and the total number of dematerialized shares held with NSDL and CDSL.
- Risk Management
The Company has laid down the process of Risk Management and Assessment procedure which is periodically reviewed by the Board Members.

11. CEO/ CFO Certification

Certificate from CEO & CFO for the financial year ended March 31st, 2014, has been provided elsewhere in the Annual Report.

12. Means of Communication

Half yearly report sent to each household of Shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Quarterly results	Same as above
Any website, where displayed	Yes, on www.gabrielindia.com
Whether it also displays official news Released; and the presentations made to Institutional investors or to the Analysts	No
Newspapers in which results are normally published in	1) The Economic Times – Pune, Mumbai & Delhi edition 2) Loksatta – Pune edition
Whether Management discussions and Analysis is a part of Annual Report or not	Yes, enclosed





13. General Shareholder Information

- AGM : Date, Time and Venue
August 08, 2014 at 2.30 p.m. at Conference Hall, Gabriel India Ltd., 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
April 1, 2013 to March 31, 2014
- Financial Year
August 1, 2014 to August 8, 2014 (both days inclusive)
- Date of Book Closure
On or before August 18, 2014
- Dividend Payment date(s)
The Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)
505714 on the Bombay Stock Exchange Limited
GABRIEL on National Stock Exchange Limited
INE524A01029
- Listing on Stock Exchange
Please see Annexure 'A'
- Stock Code
Please see Annexure 'B'
- The ISIN of Gabriel India Limited on both NSDL and CDSL
Karvy Computershare Private Limited
Unit-Gabriel India Limited
Karvy House, 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad 500 034
Phone No. 040 - 23420818-828
E-mail : einward@karvy.com
- Market Price Data: High, Low during each month in last financial year.
All the transfers received are processed and approved by the Share Transfer Committee which normally meets twice in a month
Please see Annexure 'C'
- Performance in comparison to broad based indices
Complied with
Not issued
- Registrar and Transfer Agents
The Company's plants are located at Nasik, Pune, Dewas, Hosur, Khandsa, Parwanoo, Sanand, Malur, Aurangabad.
Shareholders correspondence and investor's complaints should be addressed to the Registrars & Transfer Agents at the address given above or to the registered office of the Company or to the Corporate office or can be emailed to 'secretarial@gabriel.co.in'
- Share Transfer System
- Distribution of shareholding and Share holding pattern as on March 31, 2014
- Dematerialisation of shares
- Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity
- Plant Locations
- Address for correspondence

B. NON-MANDATORY REQUIREMENTS

a) Chairman of the Board

Whether Chairman of the Board is entitled to maintain a chairman's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.

The Chairman does not maintain a separate office for the Company. Expenses incurred by the Chairman on official duties for the Company are met / reimbursed by the Company.



**b) Shareholder Rights**

The half yearly / quarterly results declaration of Financial performance including summary of the significant events in last six months should be sent to each household of shareholders

As the half yearly / quarterly results are published in English newspapers having wide circulation all over India and in a Marathi newspaper (having circulation in Pune & Mumbai), the same are not sent to the shareholders of the Company. Annual audited financial results are taken on record by the Board and then published in news papers as aforesaid and also communicated to the shareholders through the Annual report.

c) Postal Ballot

The Company has not taken up any business at General Meeting, which requires compliance with Postal Ballot as per Companies (Amendment) Act, 2000.

d) Nomination and Remuneration committee

The Company has formed a remuneration committee. Details of the same are covered elsewhere in the report.

e) Audit Qualification

The Company is in the regime of unqualified financial Statements

f) Training of Board' Members

The Company organizes training of its Board Members from time to time.

g) Mechanism for evaluating Non-Executive Board Members

The Company has a suitable process for assessing the effectiveness of the Board and the Committees.

Place : Pune
Date : May 14, 2014

For and on behalf of the Board

Deepak Chopra
Chairman





**Declaration regarding Compliance by Board Member and Senior Management
Personnel with the Company's Code of Conduct.**

I, **Manoj Kolhatkar**, being the Managing Director and a member of the Board of Directors of Gabriel India Limited ("the Company") hereby acknowledge, confirm and certify that :

- i. All the Directors have received, read and understood the Code of Conduct for Directors and Senior Management of the Company.
- ii. All the Directors are bound by the said Code to the extent applicable to their functions as a member of the Board of Directors / Senior Management of the Company;
- iii. Since the date of appointment as a director of the Company, all the Directors have complied with the provisions of the Code of conduct which was adopted in the Financial Year 2005-06;
- iv. Directors are not a party to any non-compliance with the said Code.

Pune
May 14, 2014

Manoj Kolhatkar
Managing Director

Annexure "A"

(i) **Stock Price Data**

High/Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India, Mumbai during the financial year 2013-14 is furnished below:

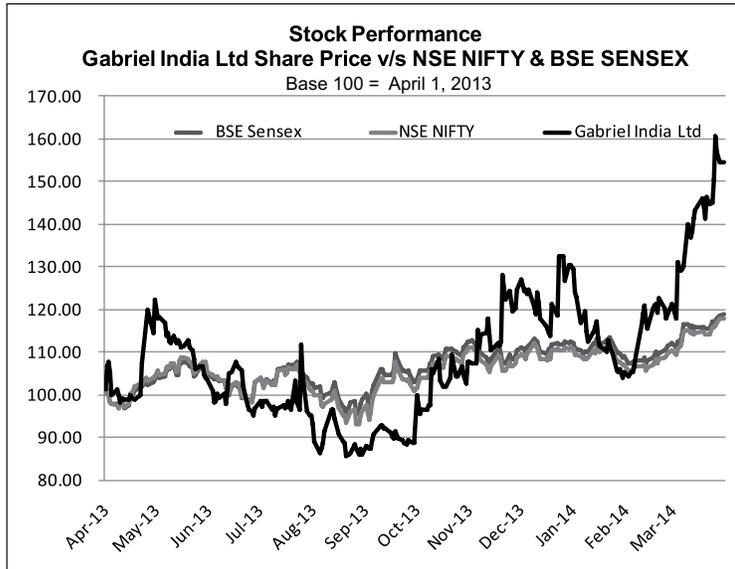
Period (Year 2013-14)	BSE		NSE	
	High (Rupees)	Low (Rupees)	High (Rupees)	Low (Rupees)
April	23.60	18.50	23.70	18.20
May	23.45	19.55	23.25	19.65
June	20.80	18.20	21.00	18.05
July	22.10	17.85	22.20	17.85
August	18.90	16.15	18.85	16.10
September	18.25	16.50	18.30	16.05
October	21.50	17.00	21.50	17.05
November	25.65	20.05	25.60	20.20
December	26.40	21.60	26.35	21.65
January	25.25	19.80	25.15	19.80
February	24.05	19.45	24.10	19.35
March	31.25	22.15	31.25	22.50





Annexure “B”

Performance in comparison to broad-based indices



Annexure “C”

(i) The distribution of shareholdings as on March 31, 2014 is as follows:

Distribution of Shareholding as on 31.03.2014

Category	No. of folios	%	Amount	%
Upto 5000	37,727	97.50	16,783,602	11.68
5001 to 10000	474	1.22	3,634,430	2.53
10001 to 100000	416	1.08	11,706,555	8.15
100001 and above	77	0.20	111,519,353	77.64
Total	38,694	100%	143,643,940	100%

(ii) Shareholding pattern as on March 31, 2014 is as follows:

Gabriel India Limited Shareholding pattern as on 31.03.2014

Sr. No.	Description	No. of shares	%
1	Indian Promoters	78,475,468	54.63
2	Insurance Companies & Banks	454,231	0.32
3	Mutual Funds & UTI	17,934	0.01
4	FII's & NRI's	1,235,128	0.86
5	Foreign Companies	7,942,160	5.53
6	Domestic Companies	7,193,255	5.01
7	Resident Individuals	48,325,764	33.64
TOTAL		143,643,940	100.00



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Gabriel India Limited

We have examined the compliance of conditions of Corporate Governance by Gabriel India Limited, ("the Company") for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BK Khare & Co.**
Chartered Accountants
FRN : 105102W

Naresh Kataria
Partner
M. No. 37825

Place : Pune
Date : May 14, 2014





Management Discussion and Analysis Report

1. Macro economic scenario

Global economy is witnessing a growth momentum, backed by increased industrial activity across Asia, reduction in fiscal tightening and accommodative monetary conditions in the United States and Euro area. While some large emerging market economies have slowed down, overall growth in emerging markets has picked up. IMF expects activities to improve further in 2014–15, largely on account of recovery in the advanced economies and projects Global growth at around 3.7 percent in 2014, rising to 3.9 percent in 2015.

India economy is also showing signs of recovery and India's growth is expected to recover from 4.4% in 2013 to 5.4% in 2014, supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects.

Indian Automobile Industry Current Scenario:

The performance of the Indian automobile industry has been impacted for past 2 years owing to slowdown in the overall economy impacting the investment cycle & consumer sentiments. Slowdown in Industrial activity, tepid income growth & rising cost of ownership driven by high fuel prices and interest rates have been playing foul over the past few years.

The slowdown in economy has impacted investments and sentiment in the auto industry leading lower demand for almost all the segments of auto industry. The Auto Industry has also been hit by lower growth with major impact in Passenger Car and Commercial Vehicles Segment.

The Indian Passenger Vehicle (PV) industry recorded volumes of 3.07 million units in 2013-14, a decline of 4.9% YoY. This follows a moderate increase of 2.2% in 2012-13. The reasons for sluggishness in PV demand over the last three years are due to high inflation, increase in interest rates and rising fuel prices, have put pressure on disposable income of consumers and have also increased the cost of ownership.

The Commercial Vehicle (CV) Industry recorded volumes of 0.69 million units in 2013-14, a decline of 16.1% over last year. This is second consecutive year of drop in volumes and is contributed by slowing economy primarily in manufacturing and mining sectors.

The Indian two-wheeler (2W) market performance has been better than other segments and has recorded volumes of 16.9 million units in 2013-14 posting a growth of 7.2% over last year. This segment of industry has grown at a volume CAGR of 14% over last five years. The key drivers helping this growth include population, lower penetration compared to global trend, underdeveloped public transport system, urbanization etc.

2. Outlook

As Indian Economy is showing signs of recovery and various steps taken by Government in last one year to support the Industry, we expect Auto Industry to perform well in FY2014-15.

PV Industry : In February 2014, excise duty on small cars was reduced from 12% to 8%; while on mid and large-sized cars, it was reduced from 24% to 20% and 27% to 24%, respectively. Likewise, on Sports Utility Vehicles (SUVs), the excise duty was brought down from 30% to 24%, bringing the duty in line with that on large-sized cars. A revival in PV segment will depend on change in sentiment and cost of ownership reducing ie lower fuel and interest rates.

CV Industry : We expect CV sales to grow marginally in 2014-15 with growth largely expected in second half of the financial. The volume revival in segment will remain dependant on pick-up in industry activity, investment cycle and infrastructure and mining related activities.

2W Industry : An increased demand for scooters compared to motorcycles has led to the scooters segment growing 21.5% YOY compared to motorcycles at 4.5%. we expect this growth to continue with many new scooter launches scheduled during the year and low penetration of this segment. The demand from rural markets is expected to push the growth and a overall modest growth in single digits is expected for the industry in FY 2014-15.

Key Trends in auto component industry:

- Global components sourcing hub: Major global OEMs are planning to make India a component sourcing hub for their global operations. Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries.





- **Improving Product Development Capabilities:** Increased investments in R&D operations and laboratories, which are being set up to conduct activities such as analysis and simulation, and engineering animations.

Gabriel continues to lead the ride control market as a leading manufacturer leveraging its technology, delivery efficiency and wide range of its products. The Company will focus on untapped markets in a domestic and export segment to boost its sales during the FY 2014-15.

Your Company has initiated aggressive cost control activities in the areas of raw material, power, fuel and processing to counter the lower growth. To keep pace with the increasing need and speed of new product launches, your Company continues to invest aggressively in product technology, R & D and upgrading its manufacturing facilities. A State-of-Art Tech-Centre at Hosur focused on 2 Wheeler products will benefit in faster new product launches and customer support.

3. Performance of the Company

With net sales of Rs. 12,745 Million the Company has registered a growth of 6.5%.

(i) Two & Three Wheelers:

This segment posted a growth in the year under review and the segment contribution increased over last year. The production for this segment is carried out at manufacturing facilities at Hosur, Nasik & Parwanoo. The Company supplies products to most of the OEM's in the two wheeler segment. The Company succeeded in increasing its share for existing models as well as acquisition of future business with all its customers. This ensured that the Company maintained its growth path and market share. The Company also won several accolades from customers on quality, delivery & overall performance. Company has made strategic inroads by acquiring new business from Global OEM's.

The Company has taken significant steps towards increasing the capacities for meeting future customer requirements and also set up a state of the art R&D center for 2 Wheelers at its Hosur Plant.

(ii) Passenger Vehicles:

The Company faced a marginal degrowth in this segment mainly on account of drop in industry volumes and major OEM's posting drop in sales. The Company continues to leverage the technology support received from its technical partners to cater to demand of some OEM's in this sector. The Company's Khandsa & Pune plants caters majorly to the sale of this segment.

The Company regularly invest in R&D and testing facilities to support the requirements of this segment and has commissioned a State of the Art, Ride Control Van which has product validation and testing facilities. The mobile vehicle can be used to test the functioning of prototypes at customer premises thus providing value added services.

(iii) Commercial Vehicles:

The Company continues to lead the commercial vehicles segment with supplies from the Dewas, Parwanoo & Chakan plant. With the business in hand and those under development the Company is likely to maintain its lead and dominance in this segment. Given the dominant position with global OEM's in India, the Company is actively exploring exports possibilities. The Company is also working on engaging with a global high end technology manufacturer to increase the width of its product offerings.

The Chakan plant has also been engaged in the railways business by way of supplying shock absorbers for over a decade. The Company has started development activities for new generation shock absorbers that is expected to be the future of the railway industry.

(iv) Aftermarket

During FY 2013-14 Gabriel has registered Aftermarket sale of Rs. 1416 Million as against Rs. 1187 million of previous year, posting a 19% growth. The Company is focusing to strengthen its position in Aftermarket and has taken following steps.

- Added several new products to its product bouquet which will help increase sales going forward.
- To motivate retailers, launched a unique program to recognize the achievement of its retailers called 'Elite Retailer Program'.
- To improve brand recall with end customers, various brand promotion activities have been undertaken such as hoardings on various highways across the country.



(v) Exports

The Company is facing challenges in exports as the sales have reduced to Rs. 358 Million from Rs. 415 Million due to drop of sales to a customer in one of the key markets.

However the Company's focused approach on exports from 2013 onwards including hiring of specific resources has unwrapped multiple global opportunities including few breakthroughs in high potential markets. Through structured market research & systematic approach, we have ingrained the seeds of GIL competencies worldwide to ensure exponential growth with most of the Global OEMs in near future.

The Company has also been successful in tapping the after market by establishing network in 8 new geographies has now enabled us to make presence in all the six Continents.

The Company has introduced a new organization structure on the lines of its customer segments ie Two Wheeler/ Passenger Vehicle/Commercial Vehicles headed by COO's. This is intended to grow the Company in each of the segments with sharper product focus and is expected to lead to higher market share in future.

4. Opportunities and threats

There exists good opportunities in Export in both OEM and Aftermarket segments. By establishing network in all six continents, Gabriel has taken steps to capitalize on in this opportunity.

In the domestic market, there exists an opportunity of increasing business shares through consistent delivery of quality and innovative new products. Gabriel has already embraced innovation as a key initiative which will help in the above.

The entry of Global OEM's in heavy commercial vehicle segment is likely to bring in a positive change in terms of product performance, reliability and safety. Your Company's leadership position in this segment will hold it in good stead.

In the competitive auto environment like most Tier I industries Gabriel also has several threats. The new competition in the suspension industry is going to put pressure for developing competitive products with high performance, quality and longer life. Most of the OEM's are trying to leverage upon these aspects to sell more vehicles.

The Company's business is exposed to many internal and external risks. To address same in a systematic manner, Company had engaged an external professional agency to help identify key risks for the organization. They have interviewed more than 30 senior officials & identified key risks faced by organization. The some of the key risks identified are threat to market share due to global competition, procurement of few components, talent acquisition, technology, regulatory compliance. The risks have been reviewed by senior management and short term & long term risk mitigation plans have been identified. A Risk Committee has been formed under Chairmanship of CFO which will meet quarterly & present the progress on mitigation plans to the Board.

The Key risks for the organization are**(i) Threat to market share due to Global competition**

Due to growing Indian market, global players have started operations in India which poses a strong competition for new business. To compete with these competitors, Company is focusing on cost reduction with centralized sourcing. The Company will also focus on technology upgrade and R & D is working closely with the customers to offer customized solutions. We are also exploring for a technology partner in Commercial Vehicle segment. The Company is also focusing on improving its product quality with focus on internal manufacturing and vendor processes.

(ii) Procurement Risk

As the Company is spread across India, it leads to dependency on small localized vendors. For some key parts, the Company operates with few single sourced suppliers which pose threat of production continuity.

Company is taking adequate steps like vendor rationalization by consolidating requirement at pan India level thereby reducing dependency on small local vendors looking into aggressive growth plans. The Company has also initiated actions for mapping the capabilities of the vendors on various parameters. It proposes to evaluate same for plugging the risks and rationalizing of vendor base.

(iii) Risk of Global Competition in Exports

Looking into vast export potential in OEM as well as After Market segment, exports is one of the key focus area for the Company. To achieve aggressive export targets drawn for next 5 years, Company forecasts concern over inducting technology or produce designs in line with target market requirements.



Technology road map is in place for these requirements for the next 5 years and work has already commenced. We have also mooted a strong drive to improve quality of current products to compete in Global markets.

(iv) Talent Acquisition Risk:

Attracting & retaining talent is key area for the management & various activities are carried out like effective induction, continuous training & management interactions to keep the attrition under control. Besides rewards & recognition Company tries to enhance the engagement with the team through learning opportunities, 360 degree feedback & cross functional exposure.

(v) Technology Risk:

The Company will continue to face strong competition from domestic and foreign players in this segment on latest and developing technology. To mitigate said risk our Company has a strong base in technology & works with different technology support partners in different segments on different platforms. Our R & D efforts are oriented towards improvement in existing product & process capability that can produce value added products at competitive cost.

Company has recently inaugurated state of the art Two Wheeler R & D Center at Hosur to focus on its major market segment & also planning for Passenger & CV R & D Center in coming 3 years time.

(vi) Regulatory & Compliance Risk

As the Company operations are spread over the country and is exposed to various compliance requirements of different laws and statutes. The Company is conscious of said risk and has a proper & adequate system of internal control to review and monitor compliances. The internal control system is supplemented by an extensive programme of internal audits, reviews of the findings by management & also assesses opportunities for improvement in business processes, systems & controls for regulatory compliance.

The Company will be monitoring above and other risks on a regular and systematic basis.

5. Human Resources / Industrial Relationship

Your Company has always focused on Human Development as its asset and continues its focus to unleash people potential and capability. The Company has a structured process to identify young and key talents and nurture them to take on senior and responsible positions by mentoring, coaching and advanced leadership programs.

There is a constant focus on enhancing productivity in all facets of our operations. Training and development of employees continues to be an area of prime focus with key personnel being sent for advanced training to facilities and institutions within the country and abroad. The Anand Group strongly supports this important aspect of business. The Industrial relations climate of the Company remained cordial during the year and continues to be aimed towards improving productivity, quality, morale and safety. Long term agreements with labour unions continue to be settled amicably and industrial relations remain cordial.

As of 31st March 2014, the Company had 2755 employees on its rolls.

6. Internal control systems and their adequacy.

The Company has satisfactory internal control systems, which are continuously evaluated by professional internal and statutory auditors of repute. The Company continues to improve the present internal control systems by implementation of appropriate policy and processes. The Company is focused on incorporating the controls and checks in ERP system of SAP.

7. Cautionary Statement

Statements in this Report describing the Company's objectives, projection, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Factors that could make a difference to the Company's operations include, among others, raw material prices, price increase from customers, government regulations, tax regimes, economic developments in India, natural calamities and other incidental factors.

Place: Pune
Date : May 14, 2014

Manoj Kolhatkar
Managing Director
DIN. No.: 03553983





Independent Auditor's Report

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TO THE MEMBERS OF GABRIEL INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Gabriel India Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2014**, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

1. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (here in after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow Statement dealt with by this report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Mumbai
Date : May 14, 2014

For **B. K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Naresh Kumar Kataria
Partner
M. No. 37825



ANNEXURE REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year.
- ii) (a) Inventory has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification is reasonable. In respect of stocks of raw materials lying with converters, the management has obtained confirmation certificates with regard to the respective closing stock.
- (b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. Having regard to the size of the operations of the Company and the nature of stocks held, the discrepancies noticed on verification between physical stocks and book records been properly dealt with in the books of accounts.
- iii) (a) The Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has granted unsecured loans of Rs.32,00,00,000/- to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding amount at the year end is Rs.NIL.
 - (i) The rate of interest and other terms of the loans granted to a Company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interests of the Company.
 - (ii) The payment of interest and principal is generally regular. There is no overdue amount of the loans granted.
- iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed asset and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control procedures.
- v) (a) Based on audit procedures applied by us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion, Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from the public. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal intimating the contravention of the said provisions.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We however have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom duty, Excise duty and Cess on account of dispute are as follows :

Name of the Statute	Amount Rs. in Million	Period to which it pertains	Forum
Income Tax Act, 1961	41.44	Assessment Year 1997 to 2003	High Court, Mumbai
Income Tax Act, 1961	28.44	Assessment Year 2009-10	Commissioner of Income Tax (A)
Income Tax Act, 1961	8.78	Assessment Year 2010-11	Commissioner of Income Tax (A)
Income Tax Act, 1961	10.50	Assessment Year 2011-12	Commissioner of Income Tax (A)
U.P Trade tax Act, 1948	1.25	2002-03 to 2006-07	Additional commissioner (A)- 1, Commercial tax Lucknow
U.P Trade tax Act, 1948	9.10	2007 – 08	Commercial tax tribunal bench 1, U.P. Lucknow
Kerala VAT Act 2003	0.52	2005-06 and 2006-07	Assistant Commissioner, Special Circle 1, Ernakulam
Delhi VAT Act, 2004	0.45	2008-09	Additional commissioner, Department of trade and taxes, New Delhi
Central Excise Act, 1944	1.43	2007 to 2011	Deputy Commissioner, Central Excise, Nashik Division II
Central Excise Act, 1944	0.15	2008- 09 and 2009-10	CESTAT, Mumbai
Central Sales tax Act, 1956	81.31	2005-06	Deputy commissioner of sales tax, Pune
Central Sales tax Act, 1956	10.45	2008-09	Deputy Commissioner of sales tax appeal-2, pune
Central Sales tax Act, 1956	3.86	2009-10	Deputy commissioner of sales tax, Pune
Central Excise Act, 1944	1.22	2008 to 2012	Additional Commissioner, Central Excise & Custom, Pune-III
Central Excise Act, 1944	19.84	2003 to 2007	Commissioner, Central Excise & Custom, Pune-III
Central Excise Act, 1944	1.06	2004 to 2011	Additional commissioner Central excise, Indore
Central Excise Act, 1944	12.32	2005 to 2011	CESTAT, New Delhi
Central Excise Act, 1944	0.95	2011	Commissioner (A), Indore
Central Excise Act, 1944	1.74	2011 to 2013	Appeal filed with ADDL. COMM, Indore
Central Sales tax Act, 1956	0.56	2008-09	Appeal filed with M.P. Comm. Tax Board, Bhopal
HP Entry tax Act, 2010	4.86	2011-12 to 2013-14	High court, HP
Income Tax Act, 1961	7.13	2009-10 to 2012-13	ITO(TDS), Delhi
Central Excise Act, 1944	6.26	2005-06 to June 2010	Commissioner of Central Excise-Delhi

- x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.
- xii) According to the information and explanations given to us, in our opinion the Company has maintained adequate documentation with respect to loan granted on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) Based on the information and explanations given to us, term loans were, prima facie, applied for the purpose for which the loans were obtained.
- xvii) On an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year, the Company has not raised any money by public issue.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **B. K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Naresh Kumar Kataria
Partner
M. No. 37825

Place : Mumbai
Date : May 14, 2014



Balance Sheet as at 31 March, 2014

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Particulars	Note No.	As at 31 March, 2014 (Rs. in Million)	As at 31 March, 2013 (Rs. in Million)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	143.67	143.67
Reserves and surplus	3	2,708.05	2,424.91
		<u>2,851.72</u>	<u>2,568.58</u>
Non-current liabilities			
Long-term borrowings	4	95.65	163.85
Deferred tax liabilities (net)	5	95.51	110.51
Long-term liabilities	6	-	36.53
Long-term provisions	7	40.90	56.73
		<u>232.06</u>	<u>367.62</u>
Current liabilities			
Short-term borrowings	8	469.72	497.44
Trade payables	9	1,578.78	1,391.21
Other current liabilities	10	454.61	557.05
Short-term provisions	11	291.47	194.19
		<u>2,794.58</u>	<u>2,639.89</u>
TOTAL		<u>5,878.36</u>	<u>5,576.09</u>
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		2,635.96	2,498.61
Intangible assets		35.96	55.67
Capital work-in-progress		124.61	63.88
		<u>2,796.53</u>	<u>2,618.16</u>
Non-current investments	13	0.23	0.23
Long-term loans and advances	14	232.32	298.47
		<u>3,029.08</u>	<u>2,916.86</u>
Current assets			
Inventories	15	1,168.19	1,111.78
Trade receivables	16	1,360.80	1,214.68
Cash and bank balances	17	48.76	73.85
Short-term loans and advances	18	271.37	253.74
Other current assets	19	0.16	5.18
		<u>2,849.28</u>	<u>2,659.23</u>
TOTAL		<u>5,878.36</u>	<u>5,576.09</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 28-44		

Notes forming an integral parts of these accounts in terms of our report attached.

For and on behalf of the Board of Directors

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W

NARESH KUMAR KATARIA
Partner
Membership No. 37825

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

Place : Pune
Date : May 14, 2014

RAJENDRAN A.
V.P. Finance & CFO

SARANG DESHPANDE
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2014

	Note No.	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Revenue from Operation			
Gross Sales	20	14,079.65	13,218.50
Less: Excise duty		1,334.44	1,258.16
Net Sales		12,745.21	11,960.34
Other Operating Income	21	120.87	92.89
Revenue from operations (net)		12,866.08	12,053.23
Other income	22	56.33	40.47
Total Revenue		12,922.41	12,093.70
Expenses			
Cost of materials consumed	23a	9,321.72	8,689.78
Purchases of stock-in-trade	23b	44.30	40.86
Changes in inventories of finished goods, work-in-progress and stock-in-trade (increase)/decrease	23c	(99.99)	(86.56)
Employee benefits expense	24	982.43	910.75
Finance costs	25	89.96	122.88
Depreciation, amortisation and impairment		270.73	272.78
Other expenses	26	1,713.68	1,672.02
Total expenses		12,322.83	11,622.51
Profit before exceptional items and tax (3 - 4)		599.58	471.19
Exceptional items - (Income) / Expense	27	42.00	59.38
Profit before tax		557.58	411.81
Tax expense:			
Current tax expense for current year		119.00	84.22
(Less): MAT credit entitlement		(6.05)	(10.71)
Net current tax expense		112.95	73.51
Deferred tax (credit)		(4.85)	(22.90)
Current tax expense (credit) relating to prior years		33.64	(20.15)
Deferred tax expense (credit) relating to prior period		(10.15)	-
		131.59	30.46
Profit from continuing operations		425.99	381.35
Profit for the year		425.99	381.35
Earnings per share (of Re 1/- each):			
Basic / Diluted (Rs.)	37	2.97	2.65
Paid up value per share (Re.)		1.00	1.00
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 28-44		

Notes forming an integral parts of these accounts in terms of our report attached.

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W

NARESH KUMAR KATARIA
Partner
Membership No. 37825

Place : Pune
Date : May 14, 2014

For and on behalf of the Board of Directors

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

RAJENDRAN A.
V.P. Finance & CFO

SARANG DESHPANDE
Company Secretary



Cash Flow Statement for the year ended 31 March, 2014

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	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
A. Cash flow from operating activities:		
Net Profit before tax	557.58	411.81
<i>Adjustments for:</i>		
Depreciation and amortisation and impairment	270.73	272.78
(Profit) / Loss from sale of assets	3.05	1.55
Finance costs	89.96	122.88
Interest income	(12.00)	(9.21)
Dividend income	(0.06)	(0.04)
Operating profit / (loss) before working capital changes	909.26	799.77
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in Working Capital:		
Inventories	(54.09)	109.44
Trade Receivables	(145.21)	57.75
Loans and advances	75.78	(34.59)
Other Current Assets	2.84	(1.75)
Other Provisions	69.33	110.92
Trade payables and Other Liabilities	44.49	81.69
Cash generated from operations	(6.86)	323.46
Net income tax (paid) / refunds	(136.76)	(39.38)
Net cash flow from / (used in) operating activities (A)	765.64	1,083.85
B. Cash flow from investing activities		
Purchase of fixed assets	(395.66)	(688.84)
Decrease / (increase) in Capital work in progress	(60.73)	64.26
Decrease / (increase) in Capital advances	(57.09)	54.01
Proceeds from sale of fixed assets	4.24	(1.55)
Decrease/ (increase) in intercorporate deposits given	20.00	(20.00)
Decrease/ (increase) in earmarked bank balances	31.49	(5.72)
Interest received	14.18	9.11
Dividend received	0.06	0.04
Net cash flow from / (used in) investing activities (B)	(443.51)	(588.69)



	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
C. Cash flow from financing activities		
Increase in share capital	-	-
Proceeds / (Repayment) of long term borrowings	(1.39)	(139.49)
Proceeds / (Repayment) from fixed deposits from public	(66.81)	56.47
Proceeds / (Repayment) of short term borrowings (net)	(27.72)	(172.28)
Interest paid	(86.97)	(135.09)
Dividend paid	(113.80)	(85.64)
Corporate dividend tax paid	(19.04)	(13.98)
Net cash flow from / (used in) financing activities (C)	(315.73)	(490.01)
Net Increase in Cash & Cash Equivalents (A+B+C)	6.40	5.15
Cash and cash equivalents as at Opening	33.36	28.21
Cash and cash equivalents as at Closing	39.76	33.36
Cash and cash equivalents consists of:		
Cash-in-Hand	0.68	0.44
With Scheduled Banks		
In Current Accounts	39.08	32.92
	39.76	33.36

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification.

This is the Cash Flow Statement referred to in our report of even date.

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W

NARESH KUMAR KATARIA
Partner
Membership No. 37825

Place : Pune
Date : May 14, 2014

For and on behalf of the Board of Directors

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

RAJENDRAN A.
V.P. Finance & CFO

SARANG DESHPANDE
Company Secretary



Note '1': Significant Accounting Policies

a) Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the companies operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

b) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Tangible Assets

- Tangible Assets are stated at their original cost (net of CENVAT where applicable) including freight, duties, customs and other incidental expenses relating to acquisition and installation. Interest and other finance charges paid on loans for the acquisition of tangible qualifying assets are apportioned to the cost of fixed assets till they are ready for use.
- Expenditure incurred during the period of construction is carried as capital work-in-progress and on completion the costs are allocated to the respective fixed assets.
- Foreign exchange fluctuations on payment / restatement of long term liabilities related to fixed assets are charged to Statement of Profit and Loss.
- Assets held for sale or disposal are stated at the lower of their net book value and net realisable value.

d) Intangible Assets

Intangible assets comprising of computer software and technical know-how fee are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

e) Depreciation / Amortization :

Depreciation on fixed assets, is charged on Straight Line Method (SLM) at rates specified in Schedule XIV to Companies Act, 1956 on a pro-rata basis except that :

- Assets costing less than Rs.5000/- are fully depreciated in the period of purchase ,
- Vehicles used by employees are depreciated over the period of 60 months considering this period as the useful life of vehicle for the Company.
- Computer hardware and software are being depreciated over a period of three years.
- Leasehold land is amortised over the lease period.
- Buildings on leasehold land are amortised over the lease period or useful life of the building whichever is shorter.
- Technical know-how fee is amortised over a period of 6 years or period of agreement, whichever is shorter.
- Tools and dies are depreciated over a period, upto eight years, determined based on technical evaluation.

f) Investments

Long term investments are stated at cost. Provision is made for any diminution other than temporary in the value of investments.

Current investments are stated at cost or fair value, whichever is lower.



**g) Inventories**

Inventories are stated at lower of cost or net realizable value. Cost of raw materials, stores and spares and packing materials are determined on weighted average basis. Cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads.

h) Government Grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, they are deducted from gross value of such assets.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

i) Revenue Recognition

- Domestic sales are recognised at the point of dispatch/delivery of goods to the customers as per terms of contract, which is, when substantial risks and rewards of ownership passes to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.
- Export sales are recognised based on the date of bill of lading except, sales to Nepal which are recognised when the goods cross the Indian territory, which is when substantial risks and rewards of ownership passes to the customers.
- Revenue from services is recognised on rendering of services.
- Interest and other income are recognised on accrual basis.
- Income from export incentives such as premium on sale of import licenses, duty drawback etc. are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.
- Dividend income is recognised when right to receive dividend is established.

j) Accounting for taxes on income

- Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

k) Foreign Currency Transactions

- Initial Recognition: - Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.
- Conversion: -Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- Exchange differences:- The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:



- Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
 - Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
 - Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities
 - In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract.
 - Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes.
 - Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
 - Forward contracts entered into by the Company to cover its exposure against firm commitment are marked to market as at the year end. The resultant loss is recognized in the Statement of Profit and Loss and gain, if any is ignored.
- l) Research and Development**
- Equipment purchased and cost of construction of assets used for research and development is capitalised when commissioned and included in the fixed assets. Revenue expenditure on research and development is charged in the period in which it is incurred.
- m) Retirement Benefits**
- Provident Fund:- Contribution towards provident fund is made to the regulatory authorities. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contribution made on a monthly basis.
 - Superannuation Fund: - The Company has Defined Contribution plans for Superannuation Fund. Contributions payable to the Superannuation Fund maintained by LIC are charged to the Statement of Profit and Loss. The Company does not carry any further obligations, apart from the contribution made.
 - Gratuity: - The Company provides for gratuity, a defined Benefit plans (the "Gratuity Plan") covering eligible employees in accordance with the payment of Gratuity Act, 1972. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the nature of employment. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses / gains are recognized in the statement of Profit and Loss account in the year in which they arise. The Gratuity Fund is maintained with LIC which is recognized by the income tax authorities.
 - Compensatory Absence:- The Company provides for the encashment/availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.
- n) Borrowing Cost**
- Borrowing Costs attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset till the asset is ready for use. Interest on other borrowings is charged to Statement of Profit and Loss.
- o) Leases**
- Lease arrangement where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rent under operating leases are recognised in the Statement of Profit and Loss as per terms of agreement.



Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

p) Warranty Provision

The estimated liability for product warranties is recorded at the time of the sale of the products. The provision is based on management's estimate of the future cost of corrective action on product failure considering the claims received in the past.

q) Provisions and Contingencies

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

r) Impairment

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

s) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

t) Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



Note 2 Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs. In Million	Number of shares	Rs. In Million
Authorised				
Equity shares of Re. 1/- each	150,000,000	150.00	150,000,000	150.00
Redeemable preference shares of Re. 100/- each	100,000	10.00	100,000	10.00
Equity shares of Re. 1/- each	143,643,940	143.64	143,643,940	143.64
Issued, subscribed and fully paid up				
Equity shares of Re. 1/- each	143,643,940	143.64	143,643,940	143.64
Add: Share forfeiture	-	0.03	-	0.03
Total	143,643,940	143.67	143,643,940	143.67

a) Rights, preferences and restrictions attached to Equity shares:

The Company has only one class of share referred to as Equity shares having a par value of Re.1 per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the unlikely event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

During the year ended 31st March 2014, the amount of per share dividend recognized as distributions to Equity shareholders was Re. 0.85 (31st March 2013: Re.0.75).

b) Reconciliation of opening and closing Equity Share capital:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	Amount originally paid up (Rs. In Million)	Number of shares held	Amount originally paid up (Rs. In Million)
Balance at the beginning of the year	143,643,940	143.64	71,821,970	71.82
Add: Bonus shares issued during the year*	-	-	71,821,970	71.82
Balance at the end of the year	143,643,940	143.64	143,643,940	143.64

*Bonus share issued in ratio 1:1.

c) Details of shares held by the Holding Company, the ultimate Holding Company, their subsidiaries and associates:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt. Ltd. (Holding Company)	71,905,468	50.06	71,905,468	50.06

d) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt. Ltd. (Holding Company)	71,905,468	50.06	71,905,468	50.06
Equity shares of Re. 1 Each fully paid up held by Kayaba Industry Co. Ltd.	7,937,360	5.53	7,937,360	5.53

Note 3: Reserves and Surplus

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
(a) Capital Reserve	4.70	4.70
(b) Securities Premium Reserve		
Opening balance	271.77	343.59
Less : Utilised during the year for issue of bonus shares	-	71.82
Closing balance	271.77	271.77
(c) General Reserve		
Opening balance	320.04	281.93
Add: Transferred from Surplus in Statement of Profit and Loss	62.79	38.11
Closing balance	382.83	320.04
(d) Surplus in the Statement of Profit and Loss		
Opening balance	1,828.40	1,610.38
Add: Profit for the year	425.99	381.35
Less: Appropriations		
Interim dividend	50.28	43.09
Proposed dividend	71.82	64.64
Dividend distribution tax	20.75	17.49
Transferred to General Reserve	62.79	38.11
Closing balance	2,048.75	1,828.40
Total	2,708.05	2,424.91

Note 4: Long-term borrowings

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Secured:		
Other loans and advances		
Vehicle loans	1.96	3.03
Secured by hypothecation of Vehicles. Repayable within 5 years from the date of sanction. Carrying rate of Interest between 12% to 15%.		
Unsecured:		
Deferred sales tax (interest free)	3.15	3.47
Fixed deposits		
Deposits from public carry interest between 8.5% to 10% p.a. and having maturity period ranging from 1 year to 3 years from the date of deposit.	90.54	157.35
Total	95.65	163.85

Note 5: Deferred Tax Liabilities (Net)

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Deferred tax liabilities		
Depreciation	211.67	215.37
	211.67	215.37
Deferred tax assets		
Expenditure allowable for tax purpose on payment basis	(60.00)	(42.29)
Voluntarily retirement scheme	(7.46)	(9.44)
Expenditure disallowed u/s 40(a)	(6.96)	(20.40)
Other provisions	(41.74)	(32.73)
	(116.16)	(104.86)
Total	95.51	110.51

Note 6: Long-term liabilities

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Capital Creditors	-	36.53
Total	-	36.53

Note 7: Long-term provisions

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Provision for employee benefits:		
Compensated absences	31.32	24.37
Gratuity	9.58	7.08
Retention bonus	-	25.28
Total	40.90	56.73

Note 8: Short-term borrowings

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Secured :		
From banks		
- Buyers Credit in foreign currency	114.76	270.91
- Working capital facilities	353.70	224.46
Secured by hypothecation of Stocks, book debts and other current assets of the Company. Carrying rate of Interest between 0.98% to 11.75%.		
Unsecured:		
- Fixed Deposits (Refer Note 4)	1.26	2.07
Total	469.72	497.44

Note 9: Trade payables

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Trade payables:		
- Micro, Small and Medium Enterprises (Refer Note 30)	52.48	185.60
- Others	1,526.30	1,205.61
Total	1,578.78	1,391.21

Note 10: Other current liabilities

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Current maturities of long-term debts* (Refer Note (i) and (ii) below)	94.37	144.46
Interest accrued but not due on borrowings	9.97	6.98
Unpaid dividends	7.27	6.15
Statutory liabilities	78.89	64.99
Capital creditors	45.58	167.87
Advances from customers	13.02	25.17
Employee benefits payable	88.70	60.35
Unclaimed matured deposits	0.37	-
Unclaimed interest on deposits	0.99	-
Others*	115.45	81.08
Total	454.61	557.05

* Includes forward contract restatement loss Rs. 23.52 million (previous year nil), discount payable to dealers Rs. 58.65 million (previous year Rs. 44.57 million), provision against deposits with government authorities Rs. 13.95 million (previous year Rs. 6.58 million), CDA dealer deposit Rs. 12.73 million (previous year Rs. 11.07 million).

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
(i) Current maturities of long term debts		
Secured :		
From banks		
Buyer's credit for capital goods from IndusInd Bank	-	55.40
Term loans		
Bank of India Limited	-	66.61
Kotak Mahindra Bank	-	16.83
Others		
Vehicle loans	1.20	0.93
Unsecured :		
Deferred sales tax	0.32	-
Fixed deposits	92.85	4.69
Total	94.37	144.46

(ii) Note: For details of security and other terms refer note 4 - Long term borrowings

Note 11: Short-term provisions

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Provision for employee benefits:		
Compensated absences	2.21	3.64
Gratuity	1.93	1.34
Super annuation fund	4.50	10.18
Retention bonus	29.01	-
	37.65	15.16
Other provisions :		
Warranty (Refer Note 34)	70.07	50.45
Proposed Equity dividend	71.82	64.64
Distribution tax on proposed dividend	12.21	10.50
Others (Refer Note 27 and 34)	99.72	53.44
	253.82	179.03
Total	291.47	194.19

Note 12: Fixed assets

Particulars	(Rs. in Million)										
	GROSS BLOCK				DEPRECIATION / AMORTIZATION / IMPAIRMENT					NET BLOCK	
	Cost as on 01.04.2013	Additions during the year*	Disposal/ adjustments during the year	Cost as on 31.03.2014	Accumulated Depreciation/ amortization as on 01.04.2013	Depreciation/ amortization for the year	Provision for Impairment of assets	Disposal/ adjustments during the year	Accumulated Depreciation/ amortization as on 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible assets											
Freehold Land	25.82	71.00	400.98	497.81	-	-	-	-	-	497.81	25.82
Leasehold Land	413.77	-	(400.01)	13.76	2.41	0.13	-	(0.01)	2.53	11.23	411.36
Buildings	737.91	87.06	(0.96)	824.02	231.59	23.49	-	0.50	255.57	568.44	506.32
Plant & Machinery	3,094.86	210.96	(76.01)	3,229.81	1,606.95	202.23	2.70	(63.89)	1,747.99	1,481.82	1,487.91
Vehicles#	35.09	3.63	(6.13)	32.59	14.40	4.29	-	(4.54)	14.15	18.45	20.69
Furniture & Fixtures	83.54	13.25	10.22	107.01	37.03	7.71	-	4.05	48.79	58.22	46.51
Sub Total	4,390.99	385.91	(71.90)	4,705.00	1,892.38	237.85	2.70	(63.89)	2,069.04	2,635.96	2,498.61
Sub Total as on 31.03.2013	3,738.76	678.59	(26.36)	4,390.99	1,680.16	234.06	1.54	(23.38)	1,892.38	2,498.61	2,058.59
Intangible assets											
Computer Software	85.70	8.12	3.16	96.97	50.51	18.14	-	2.41	71.06	25.91	35.19
Technical Knowhow	117.58	1.63	(0.00)	119.21	97.10	12.05	-	0.01	109.16	10.05	20.48
Sub Total	203.28	9.75	3.15	216.18	147.61	30.19	-	2.42	180.22	35.96	55.67
Sub Total as on 31.03.2013	190.04	13.24	-	203.28	110.43	37.18	-	-	147.61	55.67	79.61
Total	4,594.27	395.66	(68.74)	4,921.18	2,039.99	268.03	2.70	(61.46)	2,249.26	2,671.92	2,554.28
Total as on 31.03.2013	3,928.80	691.83	(26.36)	4,594.27	1,790.59	271.24	1.54	23.38	2,039.99	2,554.28	2,138.20

* Addition includes interest capitalized Rs. 5.35 Million (Previous Year Rs. Nil)

Vehicles include assets purchased on finance lease amounting to Rs. 2.90 Million (Previous Year Rs. 3.22 Million) with a written down value of Rs. 2.63 Million (Previous Year Rs. 4.67 Million) as at year end.

\$ Disposal/adjustment to fixed assets represents disposal of assets and regrouping/reclassification of block of assets interse.

Note 13: Non-current investments

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Non Trade (at Cost)		
Investment in Equity Instruments		
Unquoted		
20,000 Equity shares of Rs.10 each fully paid up of Shivalik Solid Waste Management Ltd.	0.20	0.20
Quoted		
4,000 Equity Shares of Rs. 2 each fully paid up of Housing Development Finance Corporation Limited.	0.02	0.02
Sub Total	0.22	0.22
Investment in Government or Trust securities		
Unquoted		
National Savings Certificates	0.01	0.01
Total	0.23	0.23

Additional Information

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Aggregate amount of quoted investments and market value		
i) Aggregate amount	0.02	0.02
ii) Market Value	3.54	3.63

Note 14 : Long-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured, considered good unless stated otherwise		
Capital advances :		
Considered good	19.86	76.95
Considered doubtful	2.70	1.00
	22.56	77.95
Less :- Provision for doubtful advances	2.70	1.00
	19.86	76.95
Security deposits	145.76	146.52
Loans and advances to employees	14.22	11.72
Less:- Provision for doubtful advances	0.62	-
	13.60	11.72
Prepaid expenses	-	0.35
Advance Income tax (net of provisions for taxation)	53.10	62.93
Total	232.32	298.47

**Note 15: Inventories**

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
At lower of cost or net realisable value		
Raw materials	548.56	574.32
Goods-in-transit	34.00	51.72
	582.56	626.04
Work-in-progress	230.28	185.58
Finished goods	195.02	198.72
Goods-in-transit	87.09	28.18
	282.11	226.90
Stock-in-trade	10.43	10.35
Stores and spares	89.16	91.58
	1,194.54	1,140.45
Less:- Provision for slow and non moving Inventories	26.35	28.67
Total	1,168.19	1,111.78

Note 16: Trade receivables

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	17.24	10.68
Considered doubtful	9.53	10.29
	26.77	20.97
Less: Provision for doubtful trade receivables	9.53	10.29
	17.24	10.68
Others		
Considered good	1,343.56	1,204.00
Considered doubtful	-	0.15
	1,343.56	1,204.15
Less: Provision for doubtful trade receivables	-	0.15
	1,343.56	1,204.00
Total	1,360.80	1,214.68



Note 17: Cash and cash equivalents

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Cash and Cash Equivalents :		
Cash on hand	0.68	0.44
Balances with banks		
In current accounts	39.08	32.92
Other banks balances		
Fixed deposits maturing after 3 months but before 12 months (Includes NIL (previous year Rs. 9.29 million) as margin money given against bills discounting)	1.64	34.25
Earmarked balances with banks		
Unclaimed dividend accounts with bank	7.36	6.24
Total	48.76	73.85

Note 18: Short-term loans and advances

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Unsecured, considered good unless stated otherwise		
Loans and Advances to suppliers	88.67	102.02
Deposits with government authorities*	21.71	11.54
Security deposits	0.71	1.58
Loans and advances to employees	3.80	3.74
Prepaid expenses	28.22	20.30
Balances with government authorities :		
CENVAT credit receivables	80.05	61.70
VAT credit receivables	4.71	8.14
Service Tax credit receivables	12.79	15.42
Inter-corporate deposits to a related party	-	20.00
Others	30.71	9.30
Total	271.37	253.74

*Represent deposits towards disputed VAT/Excise matters Rs. 21.71 millions (Previous year 11.54 millions)

Note 19: Other current assets

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
Interest accrued on deposits	0.07	2.25
Insurance claims receivables	2.93	3.76
Less : Provision for Insurance claims receivable	2.84	0.83
	0.09	2.93
Total	0.16	5.18

Note 20: Sales

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Sale of products		
Finished goods	14,013.97	13,174.59
Traded goods	65.68	43.91
	<u>14,079.65</u>	<u>13,218.50</u>
Less : Excise duty	1,334.44	1,258.16
Total	<u>12,745.21</u>	<u>11,960.34</u>

Note 21: Other operating income

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Sale of scrap	82.98	76.39
Income from services	2.51	2.91
Duty drawback and other export incentives	15.04	13.59
Refund of duties	20.34	-
Total	<u>120.87</u>	<u>92.89</u>

Note 22: Other income

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Dividend income from non-current investments		
Interest income on :		
Income tax refund	-	3.65
Fixed deposits with bank	1.06	2.03
Inter corporate deposits	7.50	1.28
Advance to suppliers	3.17	1.91
Others	0.27	0.34
	<u>12.00</u>	<u>9.21</u>
Dividend income from non current Investments	0.06	0.04
Rental income	1.79	1.85
Credit balances / excess provisions written back	5.62	5.19
Foreign exchange fluctuations (net)	13.42	5.64
Miscellaneous income	23.44	18.54
Total	<u>56.33</u>	<u>40.47</u>

Note 23a: Cost of materials consumed

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Opening inventory	626.04	813.79
Add: Purchases	9,278.24	8,502.03
	<u>9,904.28</u>	<u>9,315.82</u>
Less: Closing inventory	582.56	626.04
Cost of material consumed	<u>9,321.72</u>	<u>8,689.78</u>
Material consumed comprises:		
Tubes	1,342.86	1,156.39
Bright bars	887.31	617.26
Shocks fluid	283.87	255.15
Other items	6,807.68	6,660.98
Total	<u>9,321.72</u>	<u>8,689.78</u>

Note 23b: Purchase of Stock-in-trade

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Purchase of stock-in-trade	44.30	40.86
Purchase of traded goods comprises :		
Shock Absorber / Springs	18.89	10.93
Front fork Oils	7.03	8.31
Coolants	12.88	13.46
Bush Kit	5.50	8.16
Total	<u>44.30</u>	<u>40.86</u>

Note 23c: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Inventories at the beginning of the year:		
Finished goods	226.90	106.10
Work-in-progress	185.58	223.69
Stock-in-trade	10.35	6.48
	<u>422.83</u>	<u>336.27</u>
Inventories at the end of the year:		
Finished goods	282.11	226.90
Work-in-progress	230.28	185.58
Stock-in-trade	10.43	10.35
	<u>522.82</u>	<u>422.83</u>
Net (increase) / decrease	<u>(99.99)</u>	<u>(86.56)</u>

**Note 24: Employee benefit expenses**

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Salaries and wages	808.33	741.25
Contributions to provident and other funds	61.34	54.51
Staff welfare expenses	112.76	114.99
Total	982.43	910.75

Note 25: Finance costs

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Interest on borrowings	86.26	117.04
Other borrowing costs	3.70	5.84
Total	89.96	122.88

Note 26: Other expenses

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Consumption of stores and spare parts	271.19	348.58
Power and fuel	227.04	244.06
Rent including lease rentals	15.76	15.26
Repairs and maintenance		
- Buildings	22.17	23.59
- Machinery	158.09	129.71
- Others	47.19	48.97
Insurance	16.60	13.81
Rates and taxes	28.52	20.51
Communication	14.31	15.31
Travelling and conveyance	72.32	70.58
Printing and stationery	8.53	9.29
Freight and forwarding	246.32	222.18
Discount	68.33	68.76
Business promotion	17.04	7.65
Royalty	85.33	85.87
Donations and contributions	2.95	2.88
Legal and professional	248.63	219.69
Payments to auditors #	6.94	6.09
Bad debts and advances written off	1.46	5.98
Provision for doubtful trade and other receivables, loans and advances (net)	7.73	2.85
Loss on assets sold / scrapped (net)	3.05	1.55
Director fee and commission	5.84	4.39
Warranty costs	96.34	71.85
Miscellaneous expenses	42.00	32.61
Total	1,713.68	1,672.02



Note 26: Other expenses (Contd.)

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
# Payments to auditors		
As auditors	4.20	4.20
For taxation matters	1.59	1.11
For other services	0.30	0.45
Reimbursement of expenses	0.85	0.33
Total	6.94	6.09

Note 27: Exceptional items - (Income) / Expenses

Particulars	For the year ended 31 March, 2014 (Rs. In Million)	For the year ended 31 March, 2013 (Rs. In Million)
Cost of Voluntary retirement scheme#	-	36.38
Others* (Refer Note 34)	42.00	23.00
Total	42.00	59.38

Represent cost of Voluntary retirement scheme at one of the division Rs. Nil (Previous Year Rs. 36.38 million).

* Others represents additional provision made on account of re-assessment of disputed liabilities towards rates and taxes of Rs. 42 million (Previous year Rs. 23 million).

Note 28: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2014 (Rs. In Million)	As at 31st March, 2013 (Rs. In Million)
Contingent liabilities :		
Bills discounted with Banks	209.76	225.61
Disputed Tax matters :		
a) Company in appeal	181.39	187.53
b) Matters decided in Company's favour, tax authorities in appeal before the High Court	41.44	41.44
Claims against the Company, not acknowledged as debts	304.66	300.86
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	20.12	100.33
Others:		
Guarantees issued by banks on behalf of the Company	18.72	17.29

Note 29: Foreign exchange exposures

The Company enters into Foreign Currency Exposures Contracts for the purpose of hedging its currency risk and interest rate risk. These contracts are not intended for trading or speculation.

- a) The following are the outstanding Forward Exchange contracts entered into by the Company to hedge:

Particulars	As at March 31,2014		As at March 31,2013	
	Amount in Foreign Currency (in million)	Amount in Rs. (in million)	Amount in Foreign Currency (in million)	Amount in Rs. (in million)
Liabilities /Firm Commitments				
In EURO	0.02	1.20	0.12	8.67
In USD	9.08	586.50	3.04	165.55
In JPY	105.73	65.67	257.21	148.56

- b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	As at March 31,2014		As at March 31,2013	
	Amount in Foreign Currency (in million)	Amount in Rs. (in million)	Amount in Foreign Currency (in million)	Amount in Rs. (in million)
Liabilities				
In EURO	0.08	6.64	0.08	5.36
In USD (PCFC)	2.10	129.08	-	-
Assets				
In USD	0.54	33.30	0.38	20.83

Note 30: Dues to micro small and medium enterprises

Particulars	As at 31 March, 2014 (Rs. In Million)	As at 31 March, 2013 (Rs. In Million)
a) Principal amount remaining unpaid as at 31st March	52.48	182.40
b) Interest due thereon as at 31st March	1.29	3.91
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid as at 31st March	1.29	3.91
f) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

Note 31: In terms of Government of Maharashtra policy refund of Octroi Duty under the Package Scheme of Incentives 2007, the Company is eligible to receive an amount not exceeding Rs.74.45 Million at Nashik plant for the period 01.11.2011 to 30.11.2015. During the year the Company has received an amount of Rs 20.34 million for the period 01.11.2011 to 31.03.2013 which is included under other operating income. The octroi refund entitlement for the year of Rs 19.80 million is recognised and is adjusted in material consumption.

Note 32: Segment information

a) Primary Segment:

The Company operates only in one business segment viz. Auto Components and Parts.

b) Secondary Segment:

The Company caters mainly to the needs of Indian market and the export turnover being 2.80% (Previous year 3.51%) of the total turnover of the Company. There are no reportable geographical segments.

Note 33: Related party transaction

In accordance with the Accounting Standard on "Related Party Disclosures" (AS 18), the disclosure in respect of transactions with the Company's related parties are as follows:

A. Names of related parties and description of relationships

(As identified and certified by the Management)

1. Enterprise where control exists

Holding Company

Asia Investment Private Limited

2. Other related parties with whom transactions have taken place during the year.

A Fellow subsidiaries

Anand Automotive Limited
Perfect Circle India Limited
Victor Gaskets India Limited
Chang Yun India Limited

B Key Management Personnel

Mr. Prakash Kulkarni (Former Executive Chairman) (upto 20th May 2011)
Mr. Arvind Walia (Former Managing Director) (upto 2nd Nov 2011)
Mr. Manoj Kolhatkar (Managing Director)

B. Details of transactions

Particulars	Rs. In Million	
	For the year ended 31.03.14	For the year ended 31.03.13
Purchase of goods and services		
<i>Fellow subsidiaries</i>		
- Anand Automotive Ltd	219.18	199.92
- Others	4.95	3.29
Sale of goods and services		
<i>Fellow subsidiaries</i>		
- Anand Automotive Ltd	0.33	0.33
- Victor Gaskets India Limited	0.74	0.09
- Chang Yun India Limited	0.61	-
- Others	0.03	0.05
Reimbursement of Expenses		
<i>Holding Company</i>	3.64	7.02
<i>Fellow subsidiaries</i>		
- Anand Automotive Ltd	17.97	18.76
- Others	0.74	2.43

Particulars	Rs. In Million	
	For the year ended 31.03.14	For the year ended 31.03.13
Inter corporate deposits given		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	320.00	70.00
Interest on inter corporate deposits		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	5.96	0.76
Repayment of Inter corporate deposits		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	340.00	50.00
Sale of Fixed assets		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	0.10	-
Remuneration to key management personnel		
<i>Mr. Arvind Walia</i>	4.56	-
<i>Mr. Prakash Kulkarni</i>	-	0.29
<i>Mr. Manoj Kolhatkar</i>	11.81	10.95
Amount Outstanding as at Year end (payable)/ receivable-		
Reimbursement of expenses/purchase and sale of goods and services		
<i>Holding Company</i>	0.08	0.30
<i>Fellow subsidiaries</i>		
- Anand Automotive Ltd	(29.34)	(23.03)
- Others	(0.67)	(0.96)
<i>Associate Company</i>	0.30	0.30
Inter corporate deposits given		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	-	20.00
Interest free deposits		
<i>Fellow subsidiary</i>		
- Anand Automotive Ltd	123.20	123.20

Note 34: The Company has the following provision in the books of account as on March 31, 2014

Description	Rs. In Million			
	Balance as on 01.04.2013	Additions during the year	Used / Paid/ Reversed during the year	Balance as on 31.03.2014
Provisions				
1) Warranty *	50.45	96.34	76.72	70.07
	(33.95)	(71.85)	(55.35)	(50.45)
2) Others (Refer note 27)	48.00	42.00	-	90.00
	(25.00)	(23.00)	-	(48.00)

* Estimated warranty costs are accrued at the time of sale of components on which the warranty provisions are applicable. It is expected that majority of the warranty provisions outstanding as on March 31, 2014 is likely to result in cash outflow within 12 months of the Balance Sheet date.

Note 35: Research and development expenditure**a) Accounting for research and development expenditure incurred at R&D Centers recognized by DSIR**

Particulars	R&D Centre No. 1 Chakan		R&D Centre No. 2 Nashik		R&D Centre No. 3 Hosur		Total Company	
	FY 13-14	FY 12-13	FY 13-14	FY 12-13	FY 13-14	FY 12-13	FY 13-14	FY 12-13
i) Capital expenditure :								
Equipment purchase	15.96	39.55	0.02	-	9.90	1.79	25.89	41.34
Land and buildings	-	4.59	-	-	51.88	0.09	51.88	4.68
Total Capital expenditure :	15.96	44.13	0.02	-	61.78	1.88	77.77	46.01
ii) Revenue expenditure :								
Personnel expenses	40.72	46.75	3.19	2.51	17.76	14.66	61.67	63.92
Raw materials	0.04	0.12	0.08	0.45	0.15	0.66	0.28	1.23
Repair and maintenance - P&M	0.41	0.24	-	-	0.58	0.52	0.99	0.76
- Others	0.59	0.75	0.19	0.53	0.68	-	1.46	1.28
Travel	1.91	3.00	0.09	0.04	0.71	0.21	2.72	3.25
Utilities	10.54	6.04	3.51	3.49	1.40	2.08	15.44	11.61
Vehicle running and maintenance	0.82	0.33	-	-	-	0.01	0.82	0.34
Other expenses	11.17	12.02	0.06	0.06	3.75	5.22	14.97	17.30
Total Revenue expenditure	66.20	69.25	7.12	7.08	25.04	23.36	98.35	99.69
iii) Total Capital and Revenue expenditure	82.16	113.38	7.14	7.08	86.82	25.24	176.13	145.71

Note 36: Lease

As Lessee in a Finance Lease

The Company has purchased vehicles under finance lease agreements. The future minimum lease payments under these lease agreements as on March 31, 2014 are as follows:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Minimum Lease payments	Present value of Minimum Lease payments	Minimum Lease payments	Present value of Minimum Lease payments
Not later than one year	3.03	2.79	3.96	3.53
Later than one year but not later than five years	0.25	0.44	0.43	0.31
TOTAL	3.28	3.23	4.39	3.84
Less: Amounts representing finance charges	0.93	0.88	1.17	0.62
Present value of minimum lease payments	2.35	2.35	3.22	3.22

Note 37: Earnings per share

Particulars	Rs. In Million	
	As at 31st March, 2014	As at 31st March, 2013
Profit attributable to Equity shareholders (Rs. In million)-(A)	425.99	381.35
Basic/Weighted		
Average number of Equity Shares* outstanding during the year - (B)	143,643,940	143,643,940
Nominal Value of Equity shares (Rs.)	1	1
Basic/diluted Earning per share (Rs.) – (A)/(B)	2.97	2.65

Note 38: Value of imports calculated on C.I.F. basis (excluding value of items locally purchased):

Particulars	Rs. In Million	
	As at 31st March, 2014	As at 31st March, 2013
Raw materials and components	1,911.92	1,876.03
Stores, spares and tools	52.05	23.56
Capital goods	48.52	66.06
	2,012.49	1,965.65

Note 39: Activity in foreign currency

Particulars	Rs. In Million	
	As at 31st March, 2014	As at 31st March, 2013
Earning in foreign currency :		
FOB value of exports	346.08	399.76
	346.08	399.76
Expenditure in foreign currency (on cash basis) :		
Commission to overseas agents	0.92	0.94
Foreign travel	11.09	5.14
Royalty	58.88	85.86
Professional fees, Other Technical & Assistance fees	2.53	4.84
	73.42	96.78

Note 40: Imported and indigenous raw materials and components and stores, spares & tools consumed:

	Rs. In Million			
	2013-14		2012-13	
	% to Total Consumption	Value Rs.	% to Total Consumption	Value Rs.
Raw materials and components				
i) Direct Imports at landed cost	21%	1,958.55	20%	1,729.95
ii) Indigenous - Including value of imported items locally purchased	79%	7,363.17	80%	6,959.83
	100%	9,321.72	100%	8,689.78
Stores, spares and tools				
i) Direct Imports at landed cost	13%	35.47	7%	23.56
ii) Indigenous - Including value of imported items locally purchased	87%	235.72	93%	325.02
	100%	271.19	100%	348.58

Note 41: Dividend remitted in foreign currency

		No. of Non-Resident shareholders	Number of shares to which dividends relates	Rs. In Million	
				As at 31st March, 2014	As at 31st March, 2013
Interim dividend	for 2013-14	1	7,937,360	2.78	-
	for 2012-13	1	7,937,360	-	2.38
2nd Interim Dividend	for 2011-12	1	3,968,680	-	2.38
Final Dividend	for 2012-13	1	7,937,360	3.57	-

Note 42: Disclosure in accordance with Revised AS – 15 on “Employee Benefits”**(A) Defined contribution plans**

	Rs. In Million	
	As at 31st March, 2014	As at 31st March, 2013
Contribution to Provident Fund	34.14	29.33
Contribution to Super Annuation Fund	6.92	11.28
Contribution to Other Funds	0.12	0.09
	41.18	40.70

(B) Defined benefit plans – Gratuity

The following disclosure is as per valuation report as at the Balance Sheet date, carried by an independent actuary:

	Rs. In Million	
	2013-2014	2012-2013
Actuarial assumptions		
Discount rate	8.50%	8.50%
Expected return on plan assets	9.25%	9.25%
Salary escalation	5.00%	5.00%
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	47.81	42.64
Current service cost	6.98	5.98
Interest cost	3.88	3.62
Benefits paid	(4.34)	(10.97)
Actuarial losses/(gains)	2.76	6.55
Present value of DBO at the end of the year	57.09	47.82
Change in fair value of plan assets during the year		
Fair value of Plan assets at beginning of the year	39.40	44.06
Expected return on plan assets	3.78	4.08
Contribution	7.30	2.38
Benefits paid	(4.34)	(10.97)
Actuarial losses/(gains)	(0.56)	(0.15)
Fair value of plan assets at the end of the year	45.58	39.40
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of defined benefit obligations at the end of the year	57.09	47.82
Fair value of Plan Assets at the end of the year	45.58	39.40
Funded status [Surplus / (Deficit)]	(11.51)	(8.42)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(11.51)	(8.42)
Expenses recognised in the Statement of Profit and Loss		
Current service cost	6.98	5.98
Interest cost	3.88	3.62
Expected return on plan assets	(3.78)	(4.08)
Net actuarial Loss recognized in the Statement of Profit and Loss	3.32	6.70
Total expenses recognised in Statement of Profit & Loss	10.40	12.22

As at March 31, 2014 and March 31, 2013 all the plan assets have been invested in insurer managed funds.

Gratuity	Rs. In Million				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Present value of DBO	57.10	47.82	42.64	41.47	31.37
Fair value of plan assets	45.58	39.40	44.06	6.04	5.54
Funded status [Surplus / (Deficit)]	(11.52)	(8.42)	1.42	(35.43)	(25.83)
Experience gain / (loss) adjustments on plan liabilities	(3.50)	(6.55)	4.00	(4.58)	(0.46)
Experience gain / (loss) adjustments on plan assets	(0.56)	0.15	1.51	-	-

The contributions expected to be paid to the plan during the annual period beginning after the balance sheet date is indeterminable as the information from the fund manager has not been received.

(C) Defined Benefit Plans – Leave Encashment (unfunded)

The following disclosure is as per valuation report as at the Balance Sheet date, carried by an independent actuary:

Particulars	Rs. In Million	
	2013-2014	2012-2013
Actuarial assumptions		
Discount rate	8.50%	8.50%
Salary escalation	5.00%	5.00%
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	28.01	25.83
Current service cost	7.61	7.06
Interest cost	2.05	2.20
Benefits paid	(7.55)	(9.80)
Actuarial losses/(gains)	3.40	2.72
Present value of DBO at the end of the year	33.52	28.01
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of defined benefit obligation at the end of the year	33.52	28.01
Fair value of Plan Assets at the end of the year	-	-
Net asset / (liability) recognised in the Balance Sheet	(33.52)	(28.01)
Expenses recognised in the Profit and Loss account		
Current service cost	7.61	7.06
Interest cost	2.05	2.20
Expected return on plan assets	-	-
Net actuarial Loss/(gain) recognized in the Statement of Profit and Loss	3.40	2.72
Total expenses recognised in Statement of Profit & Loss	13.06	11.98

All the above expenses have been included under Note 24



Note 43: During the financial year 2008-09, the Company paid remuneration to the Executive Directors in accordance with the resolutions passed by the Remuneration Committee of the Board of Directors and the Shareholders. An amount of Rs 17.71 million was paid to the Executive Directors in excess of the limits prescribed under Section II of Part II of Schedule XIII of The Companies Act, 1956. The Company had obtained the Shareholders approval for these excess payments, in the Annual General Meeting held on July 28, 2009. The Company has subsequently applied to the Central Government for approval of the excess payments. The Central Government gave approval as under :-

		Rs. In Million		
Sr. No.	Name of Persons	Total amount Paid	Amount Allowed	Amount Disallowed
1	Mr. Prakash Kulkarni	1.84	1.84	Nil
2	Mr. Arvind Walia	9.90	5.18	4.72
3	Mr. N Subramanian	5.97	Nil	5.97

The Company had filed a review petition to the Central government in the financial year 2013-14 in respect of amount disallowed, which is pending for consideration.

Note 44: Previous year figures have been re-grouped/reclassified wherever necessary to conform to current years classification.





CEO/ CFO CERTIFICATE

The Board of Directors
Gabriel India Ltd.,
29th Milestone,
Pune 410 501.

We, Manoj Kolhatkar, Managing Director, and Rajendran Arunachalam, Chief Financial Officer, certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2014, and that to the best of our knowledge and belief
- (I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
 - (II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (I) There has not been any significant changes in internal control over financial reporting during the year ended under reference;
 - (II) There has not been any significant changes in accounting policies during the year ended requiring disclosure in the notes to the financial statements; and
 - (III) There has not been any instance of significant fraud during the year.

Place : Pune
Date : May 14, 2014

Rajendran Arunachalam
Chief Financial Officer

Manoj Kolhatkar
Managing Director



GABRIEL
GABRIEL INDIA LIMITED

CIN : L34101PN1961PLC015735

Regd. Office: - 29th Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501, India
Ph.No. +91 (2135) 610757, Fax No. +91 (2135) 610796,
Email Id: secretarial@gabriel.co.in, Website: www.gabrielindia.com

52nd Annual General Meeting – August 08, 2014

ATTENDANCE SLIP

Registered Folio no. / DP ID no. / Client ID no.

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Number of Shares held

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I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 52nd Annual General Meeting of the Company at the Auditorium, 29th Milestone, Pune – Nashik Highway, Village – Kuruli , Taluka – Khed , Pune – 410 501 , Maharashtra , India, on Friday, August 08, 2014, at 2.30 p.m.

.....

Name of the member / proxy

(in BLOCK letters)

.....

Signature of the members / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 52nd Annual General Meeting of the Company , to be held on Friday, August 8, 2014, at 2.30 p.m. at Auditorium 29th Milestone, Pune – Nashik Highway, Village – Kuruli , Taluka – Khed, Pune – 410 501, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution(s)	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business:				
1	To receive, consider and adopt the Financial Statements for the year ended 31st March, 2014 and Reports of Board of Directors and Auditors thereon.			
2	To declare dividend.			
3	To appoint a Director in place of Mr. Deepak Chopra (DIN No. 00028770), who retires by rotation, and being eligible, offers himself for re-appointment.			
4	To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.			
Special Business:				
Ordinary Resolution:				
5	To appoint Mr. Rohit Philip, as a Non-Executive Director, eligible to retire by rotation.			
Special Resolution(s):				
6	To approve payment of commission to Non-executive Independent Directors at a rate of one percent of the Net profits of the Company in each year for the period of 5 years commencing from the Financial year starting from 1st April, 2014			
7	To approve Borrowing Powers of the Board to be ratified as per the provision of the Companies Act, 2013			
8	To approve Invitation and Acceptance of Fixed Deposits from the Members and Public			

Signed thisday of2014

.....
Signature of the member

.....
Signature of the proxy holder(s)

Affix revenue stamp of not less than Rs. 0.15

Notes:-

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain Column blank against any or all resolutions , your proxy will be entitled to vote in the manner as he /she may deem appropriate.

The background features a dynamic composition of diagonal lines in various shades of blue, white, and black, creating a sense of motion and depth. On the right side, there is a blurred, bokeh-style image of a bright light source, possibly a sun or a street lamp, with soft, out-of-focus light spots in warm tones. The overall aesthetic is modern and professional.

GABRIEL

Gabriel India Limited
29th Milestone, Pune Nashik Highway,
Taluka Khed, Pune - 410 501, Maharashtra, India

CIN: L34101PN1961PLC015735

www.gabrielindia.com