

GABRIEL

annual report
2012-13



Gabriel India Limited

COMPANY PROFILE AND FINANCIALS

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ANAND 



* Cover Page - Hollow Tube McPherson Strut, Winner of the prestigious 'Golden Peacock Eco-Innovation Award' for the year 2012



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GABRIEL



GABRIEL INDIA LIMITED

Deep C Anand
Chairman Emeritus

BOARD OF DIRECTORS

Deepak Chopra
Chairman

Manoj Kolhatkar
Managing Director

HR Prasad
Rajeev Vasudeva
Gurdeep Singh
Mahendra Goyal

SR. VICE PRESIDENT FINANCE

Kawal Jaggi

COMPANY SECRETARY

Anshul Bhargava

CORE MANAGEMENT TEAM

Amitabh Srivastava
Amol Lahoti
Atul Jaggi
CR Vijaykumar
Jagannath Shenoy
MK Singh
PLR Reddy
Prashant Shah
Rajendra Abhange
Rajiv Khoche
Sengupta S
Shridhar Nanal
Subramanian CS
Sumit Bhatnagar
Umesh Shah
Vasudevan R

BANKERS

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

AUDITORS

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

CORPORATE OFFICES

1 Sri Aurobindo Marg
New Delhi - 110 016

Magnet House
N M Marg, Ballard Estate
Mumbai - 400 038

REGISTERED OFFICE

29th Milestone, Pune-Nashik Highway
Village Kuruli, Taluka Khed
Pune - 410 501 (Maharashtra)
Tel: 02135 - 610700 / 610757
Fax: 02135 - 610796, 610704
Email: secretarial@gabriel.co.in



Company Profile

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

A pioneer of Ride Control products in the country, '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. Gabriel India is a provider of innovative and proprietary products and solutions that are the company's hallmark.

The flagship company of the Anand group, Gabriel commenced operations in 1961, with a single plant in Mulund, Mumbai, and has grown manifold since then with seven manufacturing facilities spread across the country today (Pune, Nashik, Hosur, Dewas, Gurgaon, Parwanoo, Sanand). The Company has also expanded its footprint to China with the inauguration of China office in March 2013.

Gabriel's manufacturing footprint enables timely deliveries to customers while optimising the availability of material. With a combined capacity of over 24 million shock absorbers, struts and 2.7 million front forks, these facilities cater to the requirements of all segments of the market, making Gabriel the leading automotive OEM supplier in the country. Gabriel also services to the requirements of Defence, Railways and the Aftermarket segments in India.

Gabriel has three well-equipped, state-of-art R&D centres located in Chakan, Hosur and Nashik. These centres have been accorded recognition by the Department of Scientific and Industrial Research, Ministry of Science of Technology. The R&D centres have proven capability for end-to-end new product development – including conceptualizing, 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 Shock Absorbers for Honda Brio, M&M XUV 500, VW Polo.

Besides, the R&D centres are constantly engaged in value addition and value engineering activities, both for customers as well as the shop floor. Numerous initiatives by the R&D centres have resulted in increased efficiency in the manufacturing process, use of eco-friendly materials and enhanced labour productivity.

The centres are equipped with comprehensive testing and validation facilities so as to optimize performance and improve the quality of its ride control products. These facilities provide value-added services to all its customers in the areas of improving product quality, addressing quality and breakdown issues, as well as cost reduction through localization efforts. The R&D centres also provide customers with a facility to conduct ride tuning exercises through custom built mobile ride tuning vans.

The company has technical collaborations with KYB Corporation, Japan and KYBSE, Spain. KYB Corp is a renowned manufacturer of ride control products in Japan, supplying to well-known vehicle manufacturers globally. Gabriel has collaborated with KYB Corp for specific products such as Corolla Altis, Innova. It also has a collaboration with Yamaha Motors, Japan for two-wheeler applications.

The Company is increasingly reliant on its in-house R&D capabilities for end-to-end development of new products and technologies to grow and retain its market leadership.

REDEFINING RIDE COMFORT

Company Highlights

- Revenue grew by 7.2% over the previous year, ahead of industry growth.
- Recipient of prestigious 'Golden Peacock Eco-Innovation Award' for the year 2012.
- Expanded footprint to China with the inauguration of China office in March 2013.
- Recorded highest sales in aftermarket.
- Installed robotic line for shock absorber manufacturing.
- Launch of 'Innovation Journey' for operational excellence.
- Intensified sustainability initiatives for 'Green manufacturing' and reducing carbon footprint.
- The 50th Annual General Meeting of Gabriel India was held at the company's registered office in August 2012.
- Commencement of substantial expansion at Gabriel Ambad.

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.



Ms. Rose Ni, CEO & General Manager, Jiangsu Fengli Precision Tube Manufacturing company inaugurating the Gabriel, China office



Mrs. Anjali Singh, Chairperson, Anand Supervisory Board in a conversation with Mr. Rajendra Abhang, Sr Director, Gabriel India on the award winning initiatives at Gabriel



50th Annual General Meeting of Gabriel



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
QUALITY CERTIFICATIONS:	TS 16949, ISO 14001, OHSAS 18001

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:	TVS, Tata Motors Ltd, Mahindra & Mahindra and After Market
QUALITY CERTIFICATION	TS16949



Manufacturing Facilities

COMMERCIAL VEHICLES

DEWAS, MADHYA PRADESH

COMMENCED PRODUCTION:	1992
LOCATION:	Dewas
PRODUCT:	Shox - Commercial Vehicles
SEGMENTS SERVICED:	OE / After Market / Exports
MAJOR OEM CUSTOMERS:	Tata Motors, Mahindra & Mahindra Ashok Leyland, VE Commercial Vehicles, Daimler, Force Motors, Wheels India.
QUALITY CERTIFICATIONS:	TS - 16949, OHSAS 18001 ISO 14001 QCFI life time membership



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



Manufacturing Facilities

PASSENGER CARS

KHANDSA, HARYANA

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 hard chrome plating and ED coating, based on 'Dyna Chrome' technology
QUALITY CERTIFICATIONS:	ISO TS -16949



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
TECHNOLOGY HIGHLIGHT:	In house facility for hard chrome plating and ED coating based on "Dyna Chrome" technology
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



Mr Rajendra Abhange, Senior Director, Gabriel India & Mr Sridhar Nanal, Vice-President, R&D receiving the 'Golden Peacock Eco-Innovation Award'.

GOLDEN PEACOCK ECO-INNOVATION AWARD

Gabriel India won the prestigious 'Golden Peacock Eco-Innovation Award' for the year 2012 for its Hollow Tube McPherson Strut specially designed and developed for the first time in India.

FICCI QUALITY SYSTEMS EXCELLENCE AWARDS FOR 2012 FOR MANUFACTURING

Gabriel India, Nashik won the first prize in the medium size category of 'FICCI Quality Systems Excellence Awards for 2012 for manufacturing', a second time in a row.

YAMAHA SPECIAL CATEGORY AWARD

Gabriel India won the prestigious 'Yamaha Special Category Award' for 'Contribution to Cost Reduction and VAVE Activity' for the year 2012, Hosur.

RECOGNISED AS A 'GREAT PLACETO WORK 2012'

Gabriel India was selected in the 'India's Best Companies To Work For 2012' study conducted by The Great Place to Work Institute, India and published by the Economic Times. Gabriel India was ranked third in the Automotive Components section of the study.

BEST QUALITY VENDOR AWARD BY SUZUKI MOTORS

Suzuki Motors India adjudged Gabriel as their 'Best Quality Vendor for 2012'. The award was presented in recognition of Company's exemplary efforts towards quality.



The FICCI Platinum award was presented by Shri Saunabh Chandra, Secretary Department of Industrial Policy and Promotion (DIPP) to Mr Manoj Kolhatkar, MD Gabriel India Limited and Mr PLR Reddy, Plant Head, Gabriel India Limited, Nashik, at the ceremony held in New Delhi.



Mr Prashant Shah, Head Central SCM, Gabriel India, receiving the 'Yamaha Special Category Award' at Yamaha Annual Vendor Meet 2013



Mr. Deep C Anand, Chairman Emeritus Anand Group & Gabriel Top Management team visited KYB's modern facility in Europe located in Czech Republic (KMCZ) in May 2012. The visit was primarily focussed to enhance co-operation between two companies by sharing best practices and creating a platform for "win-win" situation.

The Top Management team from KYB Europe was present for a day long visit at KMCZ.



Innovation at Gabriel

As a part of Gabriel's focus towards developing leading-edge technologies for its customers, there has been a constant endeavor to upgrade and augment people skills, equipment, facilities and technology. This has been well exemplified by the achievement of prestigious 'Golden Peacock Eco-Innovation Award' for the year 2012 for its Hollow Tube McPherson Strut specially designed and

developed for the first time in India.

The company considers 'innovation' as an indispensable partner in its journey to excel as a world class organisation. Gabriel will continue to invest in R&D for the development of breakthrough solutions in products and processes.

GLIMPSES OF INNOVATION CONCOURSE 2013



Team Innovation at Gabriel



Mr Sridhar Nanal, Vice-President, R&D, Gabriel presenting Innovation initiatives to the panel



Mr Sunil Kaul, Group President Technology, Innovation and Automation, Anand Group expressing his views at the concourse



Mr Deepak Chopra, CEO, Anand & Chairman, Gabriel India; touring the Innovation concourse

Corporate Social Responsibility

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

The SNS Foundation, a charitable trust which has been sanctioned a 50% tax exemption status under Section 80 G of the Income Act of Government of India, offers to be custodians of the funds donated for projects or activities specified by the donors. The company over the years has been supporting development activities among communities in the vicinity of all geographical locations where the company has manufacturing bases. The decision of the company to set up a facility in Himachal Pradesh, Uttarakhand, in the north and similar townships in the West and southern parts of the country 'notified as backward area' starting from the 70s has helped to provide employment opportunities for the unemployed youth, especially women and develop the town as an industrial base.

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

Gabriel has been actively supporting community development initiatives taken up by SNS Foundation. Standing testimony to Gabriel's CSR activities is the achievement of 'Annual Amity Global Business School Award for Corporate CSR 2013'. Gabriel Dewas has enhanced its reach to aspiring young rural population by offering basic computer course, hair and beauty training programme and nursing training programme in collaboration with SNS Foundation.

The Group also runs an educational institution-the Himachal Primary School, a hostel for working women and a dispensary for the residents of Parwanoo.



Col. AK Ram Singh, Sr. Manager, Administration; Ms Ritu Vyas, Manager, Operations, SNS F. Dewas & Mr Rajiv Khoche, Plant Head, Gabriel Dewas, with the Amity Award for CSR



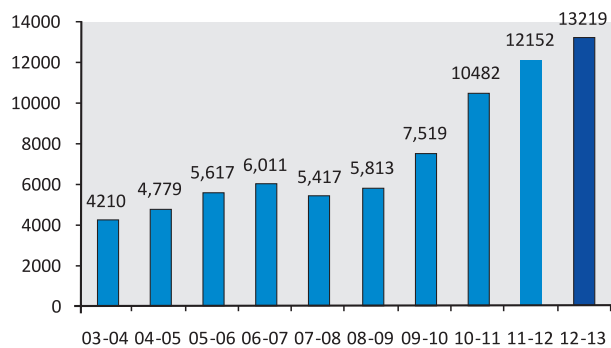
Self Defense demonstration organized by Gabriel, Khandas at Shri Guru Nanak Girls High School



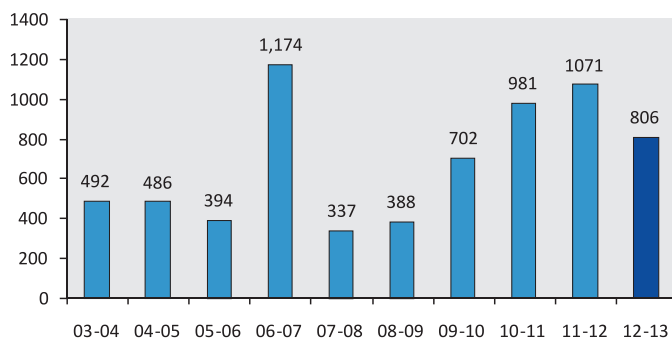
Employees of Gabriel, Parwanoo voluntarily got together to paint the boundary walls of the Anand sponsored Municipal Park and Sports Complex

Financial Highlights

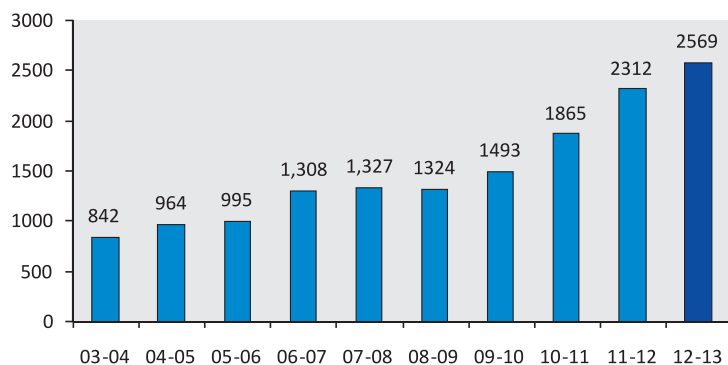
Sales (Rs. Million)



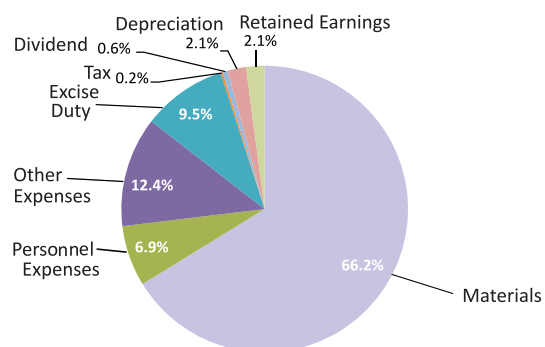
Gross Profit (Rs. Million)



Shareholders' Funds (Rs. Million)



Distribution of Income (In %)



Financial Highlights

	2012-13	2011-12
Domestic Sales (Rs. Million)	11544.8	10599.7
Export Sales (Rs. Million)	415.5	553.1
Total Sales (Rs. Million) (Net of Excise)	11960.3	11152.8
Profit Before Tax (Rs. Million)	411.8	624.4
PBT as a % to Sales	3.4	5.6
Profit After Tax (Rs. Million)	381.3	530.6
PAT as a % to Sales	3.2	4.8
Return on Net Worth (%)	14.8	22.9
Net Worth per Share (Rs.)	17.9	16.1
Earning per Share (Rs.) -Basic & Diluted	2.7	3.7
Dividend per Share (Rs.)	0.75	1.0
Dividend Cover (Times)	3.6	3.7

Working Results at a Glance

Year	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
	Rs. Million									
Share Capital	72	72	72	72	72	72	72	72	72	144*
Reserves & Surplus	770	892	923	1236	1255	1252	1421	1794	2241	2425
Shareholders Funds	842	964	995	1308	1327	1324	1493	1865	2312	2569
Loans	971	913	1033	736	1461	1569	1488	1512	1230	801
Deferred Tax Liability	237	217	195	106	104	106	141	157	133	111
Funds Employed	2050	2094	2222	2150	2892	2999	3122	3534	3676	3481
Fixed Assets(Gross)	2454	2545	2729	2251	2786	3218	3479	3933	3966	4658
Depreciation	1055	1200	1352	1070	1193	1306	1514	1724	1791	2040
Net Block	1399	1345	1377	1181	1593	1912	1844	2209	2175	2618
Investments	10	10	10	10	143	133	133	133	-	-
Net Current Assets	641	739	836	960	1157	954	1965	1192	1500	863
Net Assets Employed	2050	2094	2222	2150	2893	2999	3122	3534	3,676	3481
	Rs. Million									
Sales	4210	4779	5617	6011	5417	5813	7519	10482	12152	13219
Gross Profit	492	486	394	1174	337	388	702	981	1071	806
Interest	84	70	83	66	75	163	148	171	170	122
Depreciation	146	153	158	127	138	153	202	219	276	273
Profit/(Loss) Before Tax	262	263	153	981	124	72	352	591	624	412
Tax	95	84	64	250	47	16	112	120	94	30
Prior Period Items								17		
Profit/(Loss) After Tax	167	179	88	731	76	56	240	453	531	381
	Rs.									
Dividend per Share	6.0	7.0	0.9	0.7	0.9	0.7	0.9	1.0	1.0	0.75
Earnings per Share	23.2	24.9	1.2	0.8	3.4	0.8	3.4	6.3	3.7	2.7
	Million Nos.									
Production										
Shock Absorbers,										
Struts & Front Forks	8.8	9.8	10.9	12.4	11.8	10.8	14.6	18.4	19.6	19.7
Bimetal Bearings	7.7	8.9	9.2	-	-	-	-	-	-	-

* 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

NOTICE is hereby given that the Fifty First 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 Monday, 12th August, 2013 at 2.30 p.m. to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2013, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Rajeev Vasudeva, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gurdeep Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

Place : Pune
Date : May 27, 2013

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

Anshul Bhargava
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 187 of the Companies Act, 1956, 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 Monday, 5th August, 2013 to Monday, 12th August, 2013 (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 Monday, 12th August, 2013. 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 Monday, 12th August, 2013.
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 23311968, 23323049, 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.
 - a. 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.
 - b. 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, 2006, 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, 2006, 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 in this respect, once the unclaimed dividend is transferred to the Investor Education and Protection Fund.
8. 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.
9. 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.

10. The company's shares are listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The listing fees for these exchanges have been paid.

Place : Pune
Date : May 27, 2013

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

By Order of the Board
For Gabriel India Limited

Anshul Bhargava
Company Secretary

ANNEXURE - 'A'

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

Mr. Rajeev Vasudeva

Name of Director	Mr. Rajeev Vasudeva
Date of Birth	19.07.1959
Date of Appointment	12.11.2008
Expertise in Functional Area	Specializing in recruitment and assessment of CEO's, COO's and critical leadership talent in the technology and private equity sectors
Qualifications	CA, MBA & LLB
List of other Companies in which Directorships held:	Egon Zehnder International Pvt. Ltd. Egon Zehnder International Research Services Egon Zehnder International AG
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee Investor Grievance Committee
Memberships/Chairmanships of Committees of Directors of other Companies	Nil

ANNEXURE - 'B'

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

Mr. Gurdeep Singh

Name of Director	Mr. Gurdeep Singh
Date of Birth	23.07.1944
Date of Appointment	28.07.2009
Expertise in Functional Area	Process Implementation, Human Resources and Industrial relations, Business Development and Technical Support
Qualifications	B.Tech in Chemical Engg.
List of other Companies in which Directorships held:	Blue Star Limited Halonix Limited Tecnova India Limited Everest Kanto Cylinder Limited Gateway Rail Freight Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	Remuneration Committee - Blue Star Limited Shareholder Grievances Committee - Blue Star Limited Audit Committee - Halonix Limited Remuneration Committee - Halonix Limited

Report of the Board of Directors

Your Directors take pleasure in presenting the Fifty-First Annual Report together with the Audited Accounts for the year ended March 31, 2013.

Financial Highlights

	Year ended March 31, 2013* (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
Net Sales	11,960.3	11,152.8
Profit before Interest and Depreciation	806.5	1,070.9
Interest	121.9	170.1
Depreciation	272.8	276.4
Profit / Loss before Tax	411.8	624.4
Provision for Current Tax (Net of MAT credit)	73.5	133.5
Provision for Deferred Tax	(22.9)	(15.9)
Profit / Loss after Tax for current year	361.2	506.8
Provision for Tax for earlier years	(20.2)	(23.8)
Profit / Loss after Tax	381.4	530.6
Dividend		
Interim	43.1	71.8
Final Proposed	64.6	-
Dividend Tax	17.5	11.8
Transfer to / (from) General Reserve	38.1	53.1

* Subject to the approval of Shareholders

Dividend

Your Directors had declared an interim dividend of Re. 0.30 per equity share of Re. One each (Previous Year Interim Dividend of Re. 1.00 per equity share of Re. One each). This dividend amounted to Rs. 43.1 Million (Previous Year Rs.71.8 Million). The same was distributed to the shareholders whose names appeared in the Register of Members as on November 30, 2012. Your directors have further recommended for approval of shareholders a final dividend of Re. 0.45 per equity share of Re. One each (Previous Year Rs. Nil).

The proposed final dividend would amount to Rs. 64.6 Million (Previous Year Rs. nil). The final dividend, subject to its declaration, will be distributed to the shareholders whose names appear on the Register of members as on August 12, 2013.

INDIAN ECONOMY

In FY 2012-13, once considered as rising star in Asia, the Indian Economy is showing signs of decline mainly due to internal uncertainties compounded by global circumstances like Euro-zone crisis, high inflation and market sentiments. Country registered a GDP Growth rate of 5.3% in FY 2012-13 which was a nine year low. The private consumption is also showing declining trend from 7.6% in 2011-12 to 5.3% in 2012-13. The manufacturing sector has also shown contraction in the FY 2012-13.

In the long run, due to its robust consumption pattern and continued advantage of low cost manufacturing, India is slated to emerge as one of the key auto component hubs in Asia. The overall Sales Growth in auto sector during the FY 2012-13 was close to 4.5%. This affected the Auto Industry negatively as expected growth was more than 8% at the beginning of the fiscal year. Many OEM's and Auto Component Companies ended up having excess capacities due to slowdown in demand. The Commercial Vehicle followed by passenger car segment was the most affected with negative growth in FY 12-13. The Increase in fuel prices dampened the auto industry growth virtually in every segment.

PERFORMANCE

The total sales at Rs. 11,960.3 Million, (Previous Year Rs. 11,152.8 Million), registered a growth of 7.2%. The Profit After Tax is Rs. 381.4 Million (Previous Year Rs. 530.6 Million). As a result, the Earnings Per Share came down to Rs. 2.65 from Rs 3.69 in the previous year.

EXPORTS

The total exports of the Company was lower, at Rs. 415 Million compared to Rs. 553 million in the last year. Efforts are on to diversify the portfolio of customers and geographies to mitigate country specific issues.

AFTER MARKET

After Market continued to record a robust growth of 15% in the current year by achieving sales of Rs. 1,187 Million. This increase primarily happened due to aggressively launching new products and deeper penetration in this segment. The focus on this segment will continue in the coming years.

OPERATIONS

1. **Parwanoo (Himachal Pradesh):** The Plant at Parwanoo has matured in most of the segments - GRC shox, SOQI shox, McPherson struts and Front forks. This plant has continued to grow year on year since its inception. FY-2012 -13 has been no exception to its growth trend, with a strong growth of 20% in production units of Shock Absorbers. It has added several new products for the Aftermarket and also made substantial improvements in using level production system (Heijunka).
2. **Khandsa (Haryana):** It has been largely dependent on a single customer. However, in order to improve product diversity the Company has taken several steps last year to add new customers successfully. The plant continues to implement Lean Manufacturing concepts to ensure its competitive edge.
3. **Chakan (Maharashtra):** This plant has shown good improvement in 5S, work place management and energy management. The steps have helped the plant to substantially enhance the quality levels during the year under review. The State-of-the-Art- Technology such as Chrome plating and Auto -Phoretic paint system have already been implemented and are helping the plant to reduce its carbon foot print.
4. **Aluminum Casting Facility : Chakan (Maharashtra) :** This facility has continued to improve year on year, the efficiencies and energy Management system. The plant has taken some innovative actions to improve its competitiveness and quality produces 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.
5. **Ambad (Maharashtra):** The plant has already set bench marks for quality by winning Customer and Industry Awards, for example Platinum Award from FICCI for the second year running. It has recently concluded a wage settlement for a period of four years, before the expiry of previous long term agreement which itself is a bench mark for the local industry for Industrial relations.
6. **Dewas (Madhya Pradesh):** This plant continued to excel in all its performance Ratios and maintaining the robust top and bottom line despite decrease in demand for Commercial Vehicles. There was an amicable long term wage settlement with the Workmen in the 1st Quarter and new productivity standards have been agreed upon.
7. **Hosur (Tamil Nadu):** Hosur continues to be the largest of all Gabriel Plants. FY 12 -13 has been a year of several challenges because of external factors, namely power crisis in the state of Tamil Nadu.

The plant made substantial improvements towards lean manufacturing and decongesting the operations. It has also commissioned the first fully Robotic line for Shock Absorbers probably one of its kind in India.

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.164.10 Million (Previous year Rs.255.44 Million).

Technology Tie -ups

The Company continues its association with Technology partners KYB Japan, who now own a 5% stake in the Company bought from the company's erstwhile collaborator Arvin Meritor, USA. Company continues its technical tie-up with KYBSE, Spain in four-wheelers and Yamaha Motor Hydraulic System Company Limited for two-wheelers.

The Company also has in-house State-of-the-Art Research and Development facilities at Chakan, Hosur and Ambad which have design and development competency to meet the latest requirements of its customers. The new Two-wheeler R&D centre will be commissioned in 2013-14.

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 Professor Russi Jal Taraporevala, who has retired w.e.f April 02, 2013. Professor Taraporevala has served since inception of the Company and has given his valuable guidance all along.

In accordance with Article 123 of the Articles of Association, Mr. Rajeev Vasudeva and Mr. Gurdeep Singh retire by rotation, and being eligible offer themselves 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 annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and they have made judgements 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, 2013 and of the Statement of Profit and Loss for the year ended March 31, 2013;
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 sub-section (1B) of Section 224 of the Companies Act, 1956.

Employee Relations

Employee relations were cordial at all locations. Long Term agreements with the Unions have been concluded at the Ambad and Dewas Plants, which are the only unionized plants in the Company. The Agreements would result in higher productivity.

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 programmes 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 in the Annexure to the Directors Report. 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 27, 2013

Deepak Chopra
Chairman

Annexure to the Directors' Report

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, 2013

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
2. Solar lighting for Buildings
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.

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 car
- b) Launched several products for after market
- c) Launched several innovation projects for reducing complexity in product and process
- d) Introduced 'State-of-the-Art' coating system for shock absorbers
- e) Developed light weight eco-friendly shock absorbers for high end motor cycle

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

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	:	46.01
Recurring	:	100.48
Total	:	146.49
Total R&D expenditure as percentage of total turnover	:	1.22 %

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 Forks 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 imported	Year of Import
i) Front Forks, Shock Absorbers and Aluminum, Castings for Front Forks from Kayaba Industry Co. Ltd, Japan.	2008
ii) Gas Shock Absorbers and Struts from S & T Daewoo, Korea.	2008
iii) Dynachrome plating for Piston Rods from Germany.	2008

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 wheelers at Hosur, Tamil Nadu are being upgraded and expanded for improved capabilities of design, engineering, validation and testing.
5. The Company pioneered development, installation and commissioning of fully robotic assembly line for Shock absorbers at Hosur plant.

III. Foreign Exchange Earnings and Outgoings

Total foreign exchange earned and used:

Earnings	Rs. 410 Million	(Previous year Rs. 520 Million)
Outgoings	Rs. 1966 Million	(Previous year Rs. 1716 Million)

For and on behalf of the Board

Place : Pune
Date : May 27, 2013

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, 2013 was 7 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 2012-13

Date of Meetings	Board Strength	No. of Directors Present
30th May, 2012	7	7
16th July, 2012	7	4
14th August, 2012	7	6
6th November, 2012	7	4
11th February, 2013	7	7

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 and 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	Category		Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships held in Public Limited Companies		
			Board Meetings	Last AGM	Directorships*	Committee Memberships*	Committee Chairmanships
		Shares held by Directors as on 31st March, 2013					
Mr. Deepak Chopra	NEC	165000	4	Yes	4	-	2
Mr. Manoj Kolhatkar	MD	4000	5	Yes	Nil	Nil	Nil
Mr. Russi Jal Taraporevala#	N.E.D.I	518520	4	No	2	4	1
Mr. H. R. Prasad	N.E.D.I	44000	3	No	3	1	2
Mr. Rajeev Vasudeva	N.E.D.I	0	4	No	0	0	0
Mr. Gurdeep Singh	N.E.D.I	30000	4	Yes	5	2	2
Mr. Mahendra Goyal	N.E.D	14152	4	Yes	7	6	2

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

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

Mr. Russi Jal Taraporevala resigned w.e.f. 2nd April, 2013

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 1)

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 and May 2011. This Audit Committee had four meetings during the year 2012-13. The composition of Audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of meetings attended
Mr. H.R. Prasad	Chairman	4
Mr. Rajeev Vasudeva	Member	2
Mr. Gurdeep Singh*	Member	3
Mr. Deepak Chopra	Member	3
Mr. Mahendra Goyal	Member	3

*Mr. Gurdeep Singh was appointed as a chairman for the meeting dated 14th August, 2012 and he represented himself as a chairman, of the Audit Committee in the Annual General Meeting dated 21st August, 2012.

Members of the Audit Committee are eminent professionals and financially literate. Three members have expertise in the field of Taxation, Accounting and Corporate Laws.

The Audit Committee meetings are held both at the Corporate Head quarters and plant locations and are attended by the Internal Auditors and the Finance Head. 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 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 of the cost accounting report

5. Remuneration to Directors

(A) Remuneration Committee:

The composition of the Remuneration Committee is as follows:

Mr. Deepak Chopra	: Chairman
Mr. Russi Jal Taraporevala*	: Member
Mr. Gurdeep Singh	: Member

*Mr. Russi Jal Taraporevala resigned w.e.f. 2nd April, 2013.

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 May 2006, May 21, 2008 and May 27, 2011. One Meeting was held during 2012-13 on 30th May, 2012.

The broad terms of reference of the 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 them 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 2012-13 are given below: -

Name of Executive Directors	All elements of remuneration package i.e. salary benefits, bonuses, pension, etc. (Rs. Million)	Fixed component and performance linked incentives alongwith the performance criteria (Rs. Million)	Service contracts period, notice severance fees	Stock option with details, if any and whether issued at discount as well as the period over which accrued and over which exercisable
Mr. Manoj Kolhatkar Managing Director	Rs. 10.95	Nil.....	Refer note 'a'	Refer note 'b'

- 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.
- The Company does not have stock option scheme for grant of stock options either to the Executive Directors or employees.

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, and May 2011 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 attended
Mr. Russi Jal Taraporevala#	Chairman	4
Mr. Rajeev Vasudeva	Member	3
Mr. Mahendra Goyal	Member	3
Mr. Gurdeep Singh*	Member	1

Mr. Russi Jal Taraporevala resigned w.e.f. 2nd April, 2013

* Member for the committee meeting dated 6th November, 2012

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

Number received during the year	197
Number resolved to the satisfaction of complainant	197
Number pending redressal	Nil
Number Pending Transfers	Nil

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

Name, designation and address of :
the Compliance Officer

Mr. Anshul Bhargava
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 and in May 2011, 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

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 (EGM)	July 2, 2012	2.30 p.m.	29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
2011-12	August 21, 2012	2.30 p.m.	-do-
2010-11	July 28, 2011	2.30 p.m.	-do-
2009-10	July 28, 2010	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 2009-10, 2010-11, 2011-12 and 2012-13.

- (1) Approval of 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 a period of five years commencing from the financial year ended 31st March, 2010.
- (2) Approval accorded to the Board of Directors of the Company under Section 293(1)(d) and other applicable provisions of the Companies Act, 1956 for borrowings, secured or unsecured, up to a limit of Rs. 5000 Million.
- (3) Appointment of Mr. Manoj Kolhatkar as Joint Managing Director of the Company for a period of five years.
- (4) Amendment of Articles of Association of the Company by increasing the Authorized Share Capital from Rs. 15 Crore to Rs. 16 Crore.
- (5) 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.

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. Rajeev Vasudeva
Date of Birth	19.07.1959
Date of Appointment	12.11.2008
Expertise in Functional Area	Specializing in recruitment and assessment of CEO's, COO's and critical leadership talent in the technology and private equity sectors
Qualifications	CA, MBA & LLB
List of other Companies in which Directorships held:	Egon Zehnder International Pvt. Ltd. Egon Zehnder International Research Services Egon Zehnder International AG
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee Investor Grievance Committee
Memberships/Chairmanships of Committees of Directors of other Companies	Nil

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. Gurdeep Singh
Date of Birth	23.07.1944
Date of Appointment	28.07.2009
Expertise in Functional Area	Process Implementation, Human Resources and Industrial relations, Business Development and Technical Support
Qualifications	B.Tech in Chemical Engg.
List of other Companies in which Directorships held:	Blue Star Limited Halonix Limited Tecnova India Limited Everest Kanto Cylinder Limited Gateway Rail Freight Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	Remuneration Committee- Blue Star Limited Shareholder Grievances Committee - Blue Star Limited Audit Committee - Halonix Limited Remuneration Committee - Halonix 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

- 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, 2013, 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

- 1) Lok Satta - Pune edition
- 2) The Economic Times-Pune,Mumbai and Delhi 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 12, 2013 at 2.30 p.m. at Conference Hall, Gabriel India Ltd., 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
- Financial Year
April 1, 2012 to March 31, 2013
- Date of Book Closure
August 5, 2013 to August 12, 2013 (both days inclusive)
- Dividend Payment date(s)
19th August, 2013
- Listing on Stock Exchange
The Bombay Stock Exchange Limited
National Stock Exchange of India Limited
505714 on Bombay Stock Exchange
GABRIEL on National Stock Exchange
INE524A01029
- Stock Code
INE524A01029
- The ISIN of Gabriel India Limited on both NSDL and CDSL
Please see Annexure 'A'
- Market Price Date : High, Low during each month in last financial year
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
- Registrar and Transfer Agents
All the transfers received are processed and approved by the Share Transfer Committee which normally meets twice in a month
Please see Annexure 'B'
- Share Transfer System
Complied with
- Distribution of shareholding and Share holding pattern as on March 31, 2013
Not issued
- Dematerialisation of shares
The Company's plants are located at Nasik, Pune, Dewas, Hosur, Khandsa, Parwanoo and Sanand.
- Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity
Shareholders correspondence 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'
- Plant Locations
The investor's complaints may be registered with the Company by sending an email to secretarial@gabriel.co.in
- 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 the General Meeting, which requires compliance with Postal Ballot as introduced by Companies (Amendment) Act, 2000.

d) **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.

h) **Whistle Blower Policy**

The Company has a Whistle Blower Policy.

Place : Pune
Date : May 27, 2013

For and on behalf of the Board

Deepak Chopra
Chairman

Appendix I

**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 adoption of the Code of Conduct in the financial year 2005-2006, all the Directors have complied with the provisions of the Code;
- iv. Directors are not a party to any non-compliance with the said Code.

Pune
May 27, 2013

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, Mumbai during the financial year 2012-13 is furnished below:

Period (Year 2012-2013)	Highest (Rupees)	Lowest (Rupees)	Period (Year 2012-2013)	Highest (Rupees)	Lowest (Rupees)
April	52.90	42.80	October	27.80	24.25
May	50.65	41.05	November	29.50	25.80
June	55.70	46.15	December	33.35	26.70
July	63.50	23.50	January	29.30	25.15
August	29.90	21.00	February	25.45	21.50
September	27.40	24.20	March	23.20	18.25

(i) Stock Price Data

High/Low of market price of the Company's shares traded on the National Stock Exchange, Mumbai during the financial year 2012-13 is furnished below:

Period (Year 2012-2013)	Highest (Rupees)	Lowest (Rupees)	Period (Year 2012-2013)	Highest (Rupees)	Lowest (Rupees)
April	52.80	42.95	October	27.90	24.55
May	50.80	41.15	November	29.50	25.65
June	55.70	46.00	December	34.95	26.50
July	63.55	23.25	January	29.00	25.00
August	30.00	23.05	February	29.20	21.30
September	27.45	24.40	March	23.25	18.75

Annexure "B"

- (i) The distribution of shareholding as on March 31, 2013 is as follows:

Distribution of Shareholding as on 31.03.2013

Category	No. of Folios	%	No. of Shares	%
Up to 5000	38183	97.57	17071306	11.88
5001 to 10000	479	1.22	3638020	2.53
10001 to 100000	399	1.03	10709555	7.46
100001 and above	72	0.18	112225059	78.13
Total:	39151	100	143643940	100

- (ii) Shareholding pattern as on March 31, 2013 is as follows:

Gabriel India Limited
Shareholding pattern as on 31.03.2013

Sr No	Description	No. of shares	%
1	Indian Promoters	78475468	54.63
2	Collaborators	-	-
3	Insurance Companies & Banks	1010690	0.70
4	Mutual Funds & UTI	16820	0.01
5	FII's & NRI's	8797057	6.12
6	Domestic Companies	9261156	6.45
7	Resident Individuals	46082749	32.08
Total:		143643940	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, 2013, 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 was 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 state that in respect of investor grievances received during the year ended 31st March, 2013, no investor's grievances are pending against the Company as per the records maintained by the Company and presented to the Board of the Company.

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

Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai
Date: May 27th, 2013

Management Discussion and Analysis Report

1. Global Issues Affecting Industry Development

FY 2012-13 was a year of continued uncertainties in the Automotive industry. The Government policy on fuel prices combined with political uncertainties all around has led to reduced demand for almost all the segments of auto industry.

In the backdrop of this scenario of a lower GDP growth of 5.3% as against the projected growth of more than 8% the auto industry did not pick up to the expected levels during the year. The lower than projected growth was further affected with the labor unrest at Maruti, the market leader in Passenger Car segment, high inflation, rising fuel prices and overall market sentiment.

2. Outlook

It is expected that the trend of FY 2012-13 will continue in FY 2013-14. However, Gabriel will focus on untapped markets in the domestic and export segment to boost its sales during the FY 2013-14. After 50 years of its existence the Company continues to lead the ride control market as a leading manufacturer leveraging its technology, delivery efficiency and wide range of its products.

Your company has initiated aggressive cost control activities in the areas of raw material, power, fuel and processing to counter the lower growth projections. Senior Level cross functional teams have been instituted to enable the above.

With a large customer portfolio across all the segments, your company is expected to continue its robust journey in future. 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 will be a unique offering to the Indian Auto Industry and expected to be operational in Quarter 3 of FY 2013 -14. It has also reinforced the Program Management function.

3. Performance of the Company

With net sales of Rs.11960 Million the Company has registered a growth of 7.2%.

(i) Two & Three Wheelers :

The Company's three facilities, at Hosur, Nasik & Parwanoo are producers for this segment. The Company supplies products to most of the OEM's in the two wheeler segment. However, the Company succeeded in increasing its share for existing models as well as in acquisition of future business with all our 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 some strategic inroads by acquiring new business for Global OEM's.

(ii) Passenger Vehicles :

The Khandasa, Gurgaon facility caters to the requirements of Maruti Suzuki, the largest car manufacturer in India and other OE customers. At the other facility at Chakan, Company showed good improvement in Quality and customer satisfaction with some of Global OEM's. Chakan plant also won appreciation award from FICCI on quality systems.

(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 in the foreseeable future.

(iv) Aftermarket & Exports :

During FY 2012-13 Gabriel has registered Aftermarket sale of Rs.1187 Million as against Rs. 1040 Million of previous year. To ensure its leading position in Aftermarket, the company has added several products to its product bouquet.

The Company is facing challenges in exports as the sales have reduced from Rs. 553 Million to Rs. 415 Million due to uncertainties in one of the key markets. However, focused efforts are being made to ensure good growth in this segment in near future.

The launch of Shock absorbers under Valeo brand has already begun from its Parwanoo plant.

4. Opportunities and threats

There exists good opportunities in Export in both OEM's and Aftermarket segments. Gabriel has taken steps to make gains in this opportunity. In the domestic market, there exists an opportunity of increasing business shares through consistent delivery of quality and supplies and innovative new products. Gabriel has already embraced innovation as a key initiative which will help in the above.

In the competitive auto environment like most Tier I industries, Gabriel also has several threats. The new competition into the suspension industry is going to put pressure for developing 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 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.

5. Analysis and comments on key Business Risks

(i) Auto Sector Risk

Diversified customer portfolio and widest range of product offerings in all segments i.e. Two Wheeler, Passenger vehicles and Commercial vehicles provides a distinct advantage to your Company to mitigate the risk of fluctuation of demand.

The Company's market share is likely to improve with the change in external environment especially in Two wheeler business and focus on Aftermarket and exports.

(ii) Global Competition Risk

Your Company has co-operations with Global Shock Absorber manufacturer's i.e KYB Japan, KYBSE Spain and Yamaha Hydraulic Systems Limited, Japan. This puts your Company on equal footing with the Competition and helps to mitigate the Risk substantially.

(iii) Technology Risk

Your Company has strong technology base with various options to cater to different segments and different platforms of the Auto Industry. The backing of technology solution from Europe, Japan and own in-house developed product/process technology helps to meet requirement of most of the OEM's

The new State-of-Art-Tech-Centre for Two Wheelers coming up in Hosur will make substantial in-roads to take your Company to a much higher level on product and process technology solutions.

(iv) Procurement and Supply Chain Risks

As your Company is dependent on a lot of imports from overseas, it is subjected to international price movement and global economic uncertainties. Your Company continues to focus on localization of parts to reduce the risk of procurement and supply chain. Efficiencies and skills at its suppliers is a key concern which is being addressed through Corporate initiative i.e. VSME with help from CII.

(v) Financial Risks

Foreign exchange risk

The company being net importer of components and material is subject to the impact of foreign exchange fluctuations. The company has made contracts with customers to adjust foreign exchange fluctuations mostly on quarterly basis. The company has also framed and implemented a hedging policy to mitigate foreign exchange risk. The company's continued focus on increasing exports is helping improve the natural hedge against currency fluctuations.

(vi) Talent and Attrition Risks

The Management closely reviews the attrition trend. Your Company has enhanced its focus on skilling and training as well as Induction process.

6. Human Resources / Industrial Relationship

Your company has always focused on Human Development and continues its focus. 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 programmes.

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. Your company has won the prestigious 'A Great Place to Work 2012' Award with inclination of all the efforts.

7. 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. However, anticipation of the stresses that the projected growth is likely to put on the present internal control systems the Company has successfully rolled out a comprehensive ERP system of SAP. The integrated ERP is expected to improve the Company's reporting efficiency enabling it to adequately manage the expected business volumes and improve controls.

8. 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.

Independent Auditors' Report

TO THE MEMBERS OF GABRIEL INDIA LIMITED

1. 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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

3. Auditor's Responsibility

3.1 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.

3.2 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 judgement, 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. 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.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

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 March 31, 2013;
- (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.

5. Report on Other Legal and Regulatory Requirements

5.1 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 (hereinafter 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.

5.2 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Mumbai
Date: May 27th, 2013

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

Padmini Khare Kaicker
Partner
M. No. 44784

ANNEXURE REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE :**i) FIXED ASSETS :**

- (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) We are of the opinion that, Company has not disposed off substantial part of fixed assets during the year.

ii) INVENTORY : -

- (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) LOANS AND ADVANCES GRANTED / TAKEN FROM CERTAIN ENTITIES :

- (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. 7,00,00,000/- 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. 2,00,00,000/-.
- (c) 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.
- (d) The payment of interest and principal is generally regular. There is no overdue amount of the loans granted.

iv) INTERNAL CONTROL SYSTEM :

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) CONTRACTS OR ARRANGEMENT REFERRED TO IN THIS SECTION 301 OF THE COMPANIES ACT, 1956 :

- (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) PUBLIC DEPOSITS :

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) INTERNAL AUDIT SYSTEM :

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) COST RECORDS :

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) STATUTORY DUES :

- (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	Nature of Dues	Amount Rs. in Million	Period to which it pertains	Forum
Income Tax Act, 1961	Income Tax	41.44	Assessment Year 1997 to 2003	High Court, Mumbai
Income Tax Act, 1961	Income Tax	4.94	Assessment Year 2009-10	Appeal filed with Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	23.66	Assessment Year 2010-11	Commissioner of Income Tax (A)
U.P Trade Tax Act, 1948	Central sales tax	2.99	2002-03 and 2005-06	Additional commissioner (A)- 1, Commercial tax Lucknow
U.P Trade Tax Act, 1948	Central sales tax	7.54	2004-05 and 2006-07	Commercial tax tribunal bench 1, U.P. Lucknow
U.P Trade Tax Act, 1948	Value added tax	18.74	2006 - 07	Commercial tax tribunal bench 1, U.P. Lucknow
U.P Trade Tax Act, 1948	Value added tax	0.07	2008 - 09	Additional commissioner (A)- 1, Commercial tax Lucknow
Central Sales Tax Act, 1956	Sales Tax	81.31	2004-05	Deputy commissioner of sales tax, Pune
Central Excise Act, 1944	Service Tax	1.79	2004 to 2012	Additional commissioner Central excise, Indore
Central Excise Act, 1944	Service Tax	13.91	2005 to 2011	CESTAT, New Delhi
Central Excise Act, 1944	Service Tax	0.95	2011	Commissioner (A), Indore
Central Excise Act, 1944	Service Tax	2.6	1999 to 2003	CESTAT, Mumbai
Central Excise Act, 1944	Service Tax	1.43	2007 to 2011	Deputy Commissioner, Central Excise, Nashik Division II
Central Excise Act, 1944	Service Tax	0.15	2008- 09 and 2009-10	CESTAT, Mumbai
HP Entry Tax Act, 2010	Entry tax	3.48	2011-12 and 2012-13	High court
Assam Value Added Tax Act, 2003	Value Added Tax	0.02	2005-06	The Superintendent of Taxes, Assam Unit B, Kar Bhawan Guwahati
Central Sales Tax Act, 1956	Sales Tax	0.06	2003-04	Commercial Tax Officer, Namapally, Hyderabad
Kerala VAT Act 2003	Value Added Tax	0.54	2005-06 and	Assistant Commissioner, Special 2006-07 Circle 1, Ernakulam
Delhi VAT Act, 2004	Value Added Tax	0.45	2008-09	Additional Commissioner, Department of trade and taxes, New Delhi
Haryana Value Added Tax Act, 2003	Value Added Tax	0.16	2006-07	DETC, Gurgaon
Central Sales Tax Act, 1956	Sales Tax	1.52	2004 - 07	DETC, Gurgaon
Central Excise Act, 1944	CENVAT	6.26	2005 to 2010	Commissioner of Central Excise, Delhi
Income Tax Act, 1961	Tax Deducted at Source	15.47	2009-10 to 2011-12	ITO(TDS), Delhi
ESIC Act, 1948	ESIC	0.27	1993 TO 2000	CJM, Gurgaon

x) ACCUMULATED LOSSES :-

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) DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS :

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) SECURITY FOR LOANS & ADVANCES GRANTED :

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) SPECIAL STATUTE :

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xiv) DEALINGS/TRADING IN SHARES, SECURITIES , DEBENTURES AND OTHER INVESTMENTS :

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) GUARANTEES GIVEN :

The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi) TERM LOANS :

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) UTILISATION OF FUNDS :

According to the information and explanation given to us and 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, prima facie, been used during the year for long term investments.

xviii) PREFERENTIAL ALLOTMENT OF SHARES :

The Company has not made any preferential allotment of shares during the year.

xix) SECURITY FOR DEBENTURES ISSUED :

The Company has not issued any debentures during the year.

xx) PUBLIC ISSUE OF EQUITY SHARES :

During the year, the Company has not raised any money by public issue.

xxi) FRAUDS NOTICED :

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)

Balance Sheet

as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	143.67	71.85
Reserves and surplus	3	2,424.91	2,240.60
		2,568.58	2,312.45
Non-current liabilities			
Long-term borrowings	4	163.85	246.87
Deferred tax liabilities (net)	5	110.51	133.41
Long-term liabilities	6	36.53	-
Long-term provisions	7	56.73	31.23
		367.62	411.51
Current liabilities			
Short-term borrowings	8	493.14	662.62
Trade payables	9	1,373.45	1,370.49
Other current liabilities	10	517.97	523.99
Short-term provisions	11	197.89	120.74
		2,582.45	2,677.84
TOTAL		5,518.65	5,401.80
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		2,498.61	2,058.59
Intangible assets		55.67	79.61
Capital work-in-progress		63.88	37.26
		2,618.16	2,175.46
Non-current investments	13	0.23	0.23
Long-term loans and advances	14	306.05	372.51
		2,924.44	2,548.20
Current assets			
Inventories	15	1,111.78	1,230.72
Trade receivables	16	1,170.21	1,265.58
Cash and Bank balance	17	69.56	55.88
Short-term loans and advances	18	237.48	297.23
Other current assets	19	5.18	4.19
		2,594.21	2,853.60
TOTAL		5,518.65	5,401.80
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 28-45		

Notes forming an integral part of these accounts
In terms of our report attached.

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W
PADMINI KHARE KAICKER
Partner
Membership No. 44784

For and on behalf of the Board of Directors

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

KAWAL JAGGI
Sr. V.P. Finance

ANSHUL BHARGAVA
Company Secretary

Place : Pune
Date : May 27, 2013

Statement of Profit & Loss

for the year ended 31 March, 2013

	Note No.	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Revenue from Operations			
Gross Sales	20	13,218.50	12,152.50
Less: Excise duty		1,258.16	999.65
Net Sales		11,960.34	11,152.85
Other Operating Income	21	92.89	129.44
Revenue from operations (net)		12,053.23	11,282.29
Other income	22	42.25	73.10
Total Revenue		12,095.48	11,355.39
Expenses			
Cost of materials consumed	23a	8,800.32	8,031.99
Purchases of stock-in-trade	23b	40.86	28.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade (increase)/decrease	23c	(86.56)	(24.02)
Employee benefit expenses	24	907.15	794.33
Finance costs	25	121.87	170.10
Depreciation, amortisation and impairment		272.78	276.40
Other expenses	26	1,567.87	1,510.98
Total expenses		11,624.29	10,788.07
Profit before exceptional items and tax		471.19	567.32
Exceptional Items - (Income)/ Expense	27	59.38	(57.16)
Profit before tax		411.81	624.48
Tax expense:			
Current tax expense for current year		84.22	133.50
(Less): MAT credit (where applicable)		(10.71)	-
Net current tax expense		73.51	133.50
Deferred tax (credit)		(22.90)	(15.90)
Tax expense for prior period:			
Current tax expense (credit) relating to prior years		(20.15)	(16.26)
Deferred tax expense (credit) relating to prior period		-	(7.50)
		30.46	93.84
Profit from continuing operations		381.35	530.64
Profit for the year		381.35	530.64
Earnings per share (of Re 1/- each):	37		
Basic / Diluted (Rs.)		2.65	3.69
Paid up value per share (Re.)		1.00	1.00
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 28-45		

Notes forming an integral part of these accounts
In terms of our report attached.

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W
PADMINI KHARE KAICKER
Partner
Membership No. 44784

For and on behalf of the Board of Directors

DEEPAK CHOPRA Chairman	MANOJ KOLHATKAR Managing Director
KAWAL JAGGI Sr. V.P. Finance	ANSHUL BHARGAVA Company Secretary

Place : Pune
Date : May 27, 2013

Cash Flow Statement

For the Year ended 31 March, 2013

	For the year ended 31 March, 2013	(Rs. in Million) For the year ended 31 March, 2012
A. Cash flow from operating activities:		
Net Profit before tax	411.81	624.48
<u>Adjustments for:</u>		
Depreciation, amortisation and impairment	272.78	266.81
(Profit) / Loss from sale of assets	1.55	(66.06)
(Profit) / Loss from sale of investments	-	(5.00)
Finance costs	121.87	170.09
Interest income	(9.21)	(23.73)
Dividend income	(0.04)	(0.04)
Provision for doubtful trade and other receivables, loans and advances	1.64	9.23
Provision for compensated absences	1.58	2.00
Provision for gratuity	8.42	(35.45)
Provision for superannuation	23.31	3.89
Provision for warranty	16.50	(3.05)
Provision for slow & non-moving inventories	9.47	14.57
Operating profit / (loss) before working capital changes	859.68	957.69
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in Working Capital:		
Inventories	109.47	(232.17)
Trade Receivables	93.73	(306.95)
Loans and advances	132.18	114.40
Other Current Assets	(0.99)	-
Other Provisions	47.93	-
Trade payables and Other Liabilities	45.66	23.68
Cash generated from operations	1,287.66	556.65
Net income tax (paid) / refunds	(59.48)	(109.31)
Net cash flow from / (used in) operating activities (A)	1,228.18	447.34
B. Cash flow from investing activities		
Purchase of fixed assets	(691.83)	(350.39)
Decrease / (increase) in Capital work in progress	(26.62)	70.89
Proceeds from sale of fixed assets	1.43	101.68
Proceeds from sale of investments	-	138.09
Decrease/ (increase) in intercorporate deposits given	(20.00)	184.24
Interest received	9.21	23.73
Dividend received	0.04	0.04
Net cash flow from / (used in) investing activities (B)	(727.77)	168.28

	For the year ended 31 March, 2013	(Rs. in Million) For the year ended 31 March, 2012
C. Cash flow from financing activities		
Proceeds / (Repayment) of long term borrowings	(139.49)	(159.67)
Proceeds from fixed deposits	56.47	(155.21)
(Decrease) of short term borrowings (net)	(169.48)	(15.51)
Interest paid	(134.07)	(176.28)
Dividend paid	(86.18)	(79.04)
Corporate dividend tax paid	(13.98)	(13.29)
Net cash flow from / (used in) financing activities (C)	(486.73)	(599.00)
Net Increase in Cash & Cash Equivalents (A+B+C)	13.68	16.62
Cash and cash equivalents as at Opening	55.88	39.26
Cash and cash equivalents as at Closing	69.56	55.88
Cash and cash equivalents consists of:		
Cash-in-Hand	0.44	0.47
With Scheduled Banks		
In Current Accounts	28.63	24.55
In Unpaid Dividend Accounts	6.24	5.70
In Fixed deposits Accounts	34.25	24.87
	69.56	55.88

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

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

PADMINI KHARE KAICKER
Partner
Membership No. 44784

KAWAL JAGGI
Sr. V.P. Finance

ANSHUL BHARGAVA
Company Secretary

Place : Pune
Date : May 27, 2013

Notes Forming Part of the Financial Statements

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 211(3c) [Companies (Accounting Standard) Rules, 2006, as amended] and other relevant provisions of Companies Act, 1956.

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 – non current cycle 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 statement 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

- 1) Tangible Assets are stated at their original cost (net of MODVAT 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.
- 2) 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.
- 3) Foreign exchange fluctuation on payment / restatement of long term liabilities related to fixed assets are charged to Statement of Profit and Loss.
- 4) Assets held for sale or disposals 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 The Companies Act, 1956 on a pro-rata basis except that :

1. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase
2. Vehicles used by employees are depreciated over the period of 60 months considering this period as the useful life of vehicle for the Company.
3. Computer hardware and software are being depreciated over a period of three years.
4. The leasehold land is amortised over the lease period.
5. Buildings on leasehold land are amortised over the lease period or useful life of the building whichever is shorter.
6. Technical know-how fee is amortised over a period of 6 years or period of agreement, whichever is shorter.
7. 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 permanent diminution 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 inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective location and condition. Cost of raw materials, stores and spares and packing materials are determined on weighted average basis.

h) Capital Grants

Grants received from the Government are retained as Capital Reserve until the conditions stipulated in the respective schemes are complied with. However, the grants related to specific assets are deducted from the gross value of such assets.

i) Revenue Recognition

- i) Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership passed to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.
- ii) 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 is passed to the customers.
- (iii) Revenue from services is recognised on rendering of services.
- (iv) Interest and other income are recognised on accrual basis.
- (v) Income from export incentives such as premium on sale of import licences, duty drawback etc. are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.
- (vi) Dividend income is recognised when right to receive dividend is established.

j) Accounting for taxes on income

- (i) 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.
- (ii) 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

Foreign Currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Foreign currency monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing on the Balance Sheet date. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of foreign currency monetary assets and liabilities are recognised in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

The premium or discount arising at the inception of forward exchange contract to hedge an underlying asset or liability of the Company is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or expense during the year.

l) Research and Development

Equipment purchased 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 the LIC are charged to the Statement of profit and loss.

Gratuity:

The Company provides for gratuity, a Defined Benefit plan (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 in the year in which they arise. The Gratuity Fund is maintained with LIC which is recognized by the income tax authorities.

Notes Forming Part of the Financial Statements

Compensatory Absence:

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

n) Borrowing Cost

Borrowing Costs directly 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 on straight line basis.

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 established using historical information regarding frequency and average cost of servicing the warranty claims.

q) Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

r) Impairment

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Company recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

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) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further intersegment revenue have been accounted for based on the transaction price agreed to between segments.

u) Cash and Cash Equivalents

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

Notes Forming Part of the Financial Statements

Note 2: Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of Shares	Rs. In Million	Number of Shares	Rs. In Million
(a) Authorised				
Equity shares of Re. 1/- each	150,000,000	150.00	140,000,000	140.00
Redeemable preference shares of Rs. 100/- each	100,000	10.00	100,000	10.00
(b) Issued, Subscribed and fully paid up	143,643,940	143.64	71,821,970	71.82
Equity shares of Re.1/- each				
Add: Share forfeiture	-	0.03	-	0.03
Total	143,643,940	143.67	71,821,970	71.85

(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 the Company issued Bonus Share in the ratio of 1:1 as approved by Equity Shareholders in the Extraordinary General Meeting held on 2nd July, 2012.

During the year ended 31st March, 2013, the amount of per share dividend recognized as distributions to Equity shareholders was Re.0.75 (previous year 31st March, 2012: Re. 1).

(b) Reconciliation of opening and closing Equity Share capital:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	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	71,821,970	71.82	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	71,821,970	71.82

*Bonus Share issued in the 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, 2013		As at 31 March, 2012	
	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	35,952,734	50.06

Notes Forming Part of the Financial Statements

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

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	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	35,952,734	50.06
Equity shares of Re. 1 Each fully paid up held by Kayaba Industry Co. Ltd.	7,937,360	5.53	3,968,680	5.53

Note 3: Reserves and Surplus

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
(a) Capital Reserve	4.70	4.70
(b) Securities Premium Reserve		
Opening balance	343.59	343.59
Less : Utilised during the year for issue of bonus shares	71.82	-
Closing balance	271.77	343.59
(c) General Reserve		
Opening balance	281.93	228.87
Add: Transferred from Surplus in Statement of Profit and Loss	38.11	53.06
Closing balance	320.04	281.93
(d) Surplus in the Statement of Profit and Loss		
Opening balance	1,610.38	1,216.37
Add: Profit for the year	381.35	530.64
Less: Appropriations		
Interim dividend	43.09	71.81
Proposed dividend	64.64	-
Dividend distribution tax	17.49	11.76
Transferred to General Reserve	38.11	53.06
Closing balance	1,828.40	1,610.38
Total	2,424.91	2,240.60

Notes Forming Part of the Financial Statements

Note 4: Long-term borrowings

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Secured:		
Term loans		
From banks		
- Buyer's Credit for capital goods from IndusInd Bank Secured by exclusive charge on the Dyna Chrome plating machine and all related equipment at Chakan plant. [Balance repayable in 1 installment of Rs. 55.40 million, shown as current maturities of long term debts (previous year: 1 installment of Rs. 62.63 million). Rate of interest: EURIBOR plus agreed spread (previous year: EURIBOR plus agreed spread)]	-	54.67
- Bank of India Limited Secured by exclusive charge on specified movable plant and machinery installed at Khandsa plant and Chakan plant and collaterally secured by first and exclusive charge on the Land & Building situated at Hosur plant. Balance repayable in 4 quarterly installments (Previous year : 8 quarterly installments) of Rs. 16.67 million each, shown as current maturities of long term debts. Carry rate of interest mutually agreed upon.	-	66.67
- Kotak Mahindra Bank Limited Secured by exclusive charge by way of equitable mortgage charge on Land & building situated at Chakan plant. Balance Repayable in 1 installment (Previous year: 5 quarterly installments) of Rs.16.67 Million payable upto April 30, 2013 is shown in current maturity of long term debts. Carry rate of interest mutually agreed upon.	-	16.67
Other loans and advances		
Vehicle loans Secured by hypothecation of vehicles. Repayable within 5 years from the date of sanction. Carry rate of Interest between 9% to 13%.	3.03	4.51
Unsecured:		
Deferred sales tax (interest free) Repayable in 2014-15 and 2015-16	3.47	3.47
Fixed deposits Deposits from public carry interest between 9% to 12.5% p.a. and having maturity period ranging from 1 year to 3 years from the date of deposit.	157.35	100.88
Total	163.85	246.87

Note 5: Deferred Tax Liabilities (Net)

	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
(a) Deferred tax liabilities		
Depreciation	215.37	222.18
	215.37	222.18
(b) Deferred tax assets		
Expenditure allowable for tax purpose on payment basis	(42.29)	(36.81)
Voluntary retirement scheme	(9.44)	(1.39)
Expenditure disallowed u/s 40(a)	(20.40)	(21.02)
Other provisions	(32.73)	(29.55)
	(104.86)	(88.77)
Total	110.51	133.41

Notes Forming Part of the Financial Statements

Note 6: Long-term liabilities

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Capital Creditors	36.53	-
Total	36.53	-

Note 7: Long-term provisions

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Provision for employee benefits:		
Compensated absences	24.37	21.33
Gratuity (Refer Note 42)	7.08	-
Retention Bonus	25.28	9.90
Total	56.73	31.23

Note 8: Short-term borrowings

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Secured :		
From banks		
- Buyers Credit in foreign currency	270.91	216.08
- Working capital facilities	220.16	446.54
Secured by hypothecation of Stocks, book debts and other current assets of the Company. Carrying rate of Interest between 12.25% to 13.25%		
Unsecured:		
- Fixed Deposits (Refer Note 4)	2.07	-
Total	493.14	662.62

Note 9: Trade Payables

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Trade payables:		
Micro, small and medium enterprises (Refer note 30)	185.60	227.32
Others	1,187.85	1,143.17
Total	1,373.45	1,370.49

Notes Forming Part of the Financial Statements

Note 10: Other current liabilities

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Current maturities of long-term debts* (Refer Note (i) below)	144.46	321.02
Interest accrued but not due on borrowings	6.98	19.19
Interest accrued and due on borrowings	1.53	1.52
Unpaid dividends	6.15	5.61
Statutory liabilities	67.98	67.42
Capital creditors	168.58	20.50
Advances from customers	36.23	16.51
Employee benefits payable	64.75	49.96
Others	21.31	22.26
Total	517.97	523.99

Particulars	As at 31 March, 2013	As at 31 March, 2012
*Current maturities of long term debts		
Secured		
From banks	-	-
Buyer's credit for capital goods from IndusInd Bank	55.40	7.96
Term loans		
Bank of India Limited	66.61	67.99
ING Vysya Bank	-	15.00
Kotak Mahindra Bank Limited	16.83	66.67
Other loans and advances		
Vehicle loans	0.93	2.39
Unsecured		
Deferred sales tax	-	6.44
Fixed deposits	4.69	154.57
Total	144.46	321.02

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

Note 11: Short-term provisions

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Provision for employee benefits:		
Compensated absences	3.64	5.10
Gratuity (Refer Note 42)	1.34	-
Superannuation fund	10.18	2.25
	15.16	7.35
Other provisions :		
Warranty	50.45	33.95
Proposed Equity dividend	64.64	43.09
Distribution tax on proposed dividend	10.50	6.99
Others (Refer Note 34)	57.14	29.36
	182.73	113.39
Total	197.89	120.74

Notes Forming Part of the Financial Statements

Note 12: Fixed Assets

(Rs. in Million)											
Particulars	GROSS BLOCK					DEPRECIATION / IMPAIRMENT				NET BLOCK	
	Cost as at 01.04.12	Additions during the year*	Disposal /Adjustment during the year	Cost as at 31.03.13	Accumulated depreciation/ amortisation as at 01.04.12	Depre- ciation/ amortisation for the year	Provision for impairment of assets	Disposal /Adjustment during the year	Accumulated depreciation/ amortisation/ impairment loss as at 31.03.13	As at 31.03.13	As at 31.03.12
Tangible Assets											
Freehold Land	25.82	-	-	25.82	-	-	-	-	-	25.82	25.82
Leasehold Land	13.70	400.07	-	413.77	2.29	0.12	-	-	2.41	411.36	11.41
Buildings	711.07	26.84	-	737.91	208.44	23.15	-	-	231.59	506.32	502.63
Plant & Machinery	2,877.12	241.98	24.24	3,094.86	1,425.36	201.43	1.54	21.38	1,606.95	1,487.91	1,451.75
Vehicles @	34.48	2.67	2.06	35.09	12.26	4.20	-	2.06	14.40	20.69	22.22
Furniture & Fixtures	76.57	7.03	0.06	83.54	31.81	5.16	-	(0.06)	37.03	46.51	44.76
Sub Total	3738.76	678.59	26.36	4390.99	1680.16	234.06	1.54	23.38	1892.38	2498.61	2058.59
Sub Total as at 31.03.12	3656.33	318.67	236.24	3738.76	1632.22	247.96	-	200.02	1680.16	2058.59	2024.10
Intangible Assets											
Computer Software	72.46	13.24	-	85.70	28.54	21.97	-	-	50.51	35.19	43.92
Technical Knowhow	117.58	-	-	117.58	81.89	15.21	-	-	97.10	20.48	35.69
Sub Total	190.04	13.24	-	203.28	110.43	37.18	-	-	147.61	55.67	79.61
Sub total as at 31.03.12	168.14	31.76	9.86	190.04	91.85	28.44	-	9.86	110.43	79.61	76.29
Total	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
Total as at 31.03.12	3,824.47	350.43	246.10	3,928.80	1,724.07	276.40	-	209.88	1,790.59	2,138.20	2,100.39

* Addition includes interest and pre operative expenses capitalized Rs. Nil (Previous Year Rs. 8.08 Million)

@ Vehicles include Assets purchased on finance lease amounting to Rs. 3.22 Million (Previous Year Rs. 18.92 Million) with a written down value of Rs. 4.67 Million (Previous Year Rs. 9.33 Million) as at year end.

Note 13: Non-current investments

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 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		
4000 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 Saving Certificate	0.01	0.01
	0.23	0.23

Additional Information

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Aggregate amount of quoted investments and market value		
i) Aggregate amount	0.02	0.02
ii) Market value	3.63	2.72

Notes Forming Part of the Financial Statements

Note 14: Long-term loans and advances

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Unsecured, considered good unless stated otherwise		
Capital advances :		
Considered good	76.85	112.85
Considered Doubtful	1.10	2.38
	<u>77.95</u>	<u>115.23</u>
Less :- Provision for doubtful advances	1.10	2.38
	<u>76.85</u>	<u>112.85</u>
Deposits with Government Authorities under protest	6.35	5.22
Less : Provision towards disputed sales tax	2.71	0.69
	<u>3.63</u>	<u>4.53</u>
Security deposits	150.97	168.15
Loans and advances to employees	11.33	10.03
Prepaid expenses	0.35	-
Advance Income tax (net of provisions for taxation)	62.92	76.95
Total	<u>306.05</u>	<u>372.51</u>

Note 15: Inventories

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
At lower of cost or net realisable value		
Raw materials	574.32	733.94
Goods-in-transit	51.72	79.85
	<u>626.04</u>	<u>813.79</u>
Work-in-progress	185.58	223.69
Finished goods	198.72	96.31
Goods-in-transit	28.18	9.79
	<u>226.90</u>	<u>106.10</u>
Stock-in-trade	10.35	6.48
Stores and spares	91.58	99.86
Total	<u>1,140.45</u>	<u>1,249.92</u>
Less:- Provision for slow and non moving Inventories	28.67	19.20
	<u>1,111.78</u>	<u>1,230.72</u>

Note 16: Trade receivables

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they were due for payment		
Others		
Considered good	10.68	7.53
Considered doubtful	10.29	8.58
	<u>20.97</u>	<u>16.11</u>
Less: Provision for doubtful trade receivables	10.29	8.59
	<u>10.68</u>	<u>7.52</u>
Others trade receivables		
Considered good	1,159.53	1,258.06
Considered doubtful	0.15	0.21
	<u>1,159.68</u>	<u>1,258.27</u>
Less: Provision for doubtful trade receivables	0.15	0.21
	<u>1,159.53</u>	<u>1,258.06</u>
Total	<u>1,170.21</u>	<u>1,265.58</u>

Notes Forming Part of the Financial Statements

Note 17: Cash and cash equivalents

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Cash and Cash Equivalents		
Cash in hand	0.44	0.47
Balances with banks		
In current accounts	28.63	20.64
Fixed deposit maturing within 3 months	-	4.21
Other banks balances		
Fixed deposits maturing after 3 months but before 12 months (includes Rs. 9.29 Million (previous year Rs. 4.10 million) as margin money given against bills discounting)	34.25	24.86
Earmarked balances with banks		
Unclaimed dividend accounts with bank	6.24	5.70
Total	69.56	55.88

Note 18: Short-term loans and advances

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Unsecured, considered good unless stated otherwise		
Loans and Advances to suppliers	96.54	176.49
Security deposits	1.73	6.41
Loans and advances to employees	5.04	7.73
Prepaid expenses	8.74	6.23
Balances with government authorities		
CENVAT credit receivables	61.57	46.46
VAT credit receivables	8.14	7.36
Service Tax credit receivables	15.26	19.35
Inter-corporate deposits to related party	20.00	-
Others	20.46	27.20
Total	237.48	297.23

Note 19: Other current assets

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Interest accrued on deposits	2.25	2.15
Insurance claims receivables	3.76	1.18
Less : Provision for Insurance claim receivables	(0.83)	-
Others	-	0.86
Total	5.18	4.19

Note 20: Sales

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Sale of products		
Finished goods	13,174.59	12,115.14
Traded goods	43.91	37.36
	13,218.50	12,152.50
Less : Excise Duty	1,258.16	999.65
Total	11,960.34	11,152.85

Notes Forming Part of the Financial Statements

Note 21 Other operating income

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Sale of scrap	76.39	81.39
Income from services	2.91	20.24
Duty drawback and other export incentives	13.59	27.81
Total	92.89	129.44

Note 22 Other income

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Dividend income from non-current investments	0.04	0.04
Interest income on :		
Income Tax Refund	3.65	-
Fixed deposits with bank	2.03	1.94
Inter corporate deposits	1.28	18.33
Advance to suppliers	1.91	3.11
Others	0.34	0.35
Rental income	1.85	2.54
Discounts received from vendors	9.82	8.01
Credit balances / excess provisions written back	6.59	20.51
Foreign exchange fluctuations (net)	5.56	-
Miscellaneous income	9.18	18.27
Total	42.25	73.10

Note 23.a Cost of materials consumed

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Opening stock	813.79	644.86
Add: Purchases	8,612.57	8,200.92
	9,426.36	8,845.78
Less: Closing stock	626.04	813.79
Cost of material consumed	8,800.32	8,031.99
Material consumed comprises:		
Tubes	1156.39	1,302.26
Bright bars	617.26	464.80
Shocks fluid	255.15	265.35
Other items	6771.52	5,999.58
Total	8,800.32	8,031.99

Note 23.b Purchase of Stock-in-trade

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Purchase of stock-in-trade	40.86	28.29
Purchase of Traded Goods comprises :		
Shock Absorber / Springs	10.93	6.52
Front fork Oils	8.31	8.54
Coolants	13.46	13.23
Bush Kit	8.16	-
Total	40.86	28.29

Notes Forming Part of the Financial Statements

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

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Inventories at the beginning of the year:		
Finished goods	106.10	131.97
Work-in-progress	223.69	176.80
Stock-in-trade	6.48	3.48
	<u>336.27</u>	<u>312.25</u>
Inventories at the end 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>
Net (increase) / decrease	<u>(86.56)</u>	<u>(24.02)</u>

Note 24. Employee benefit expenses

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Salaries and wages	737.09	645.32
Contributions to provident and other funds	54.51	47.59
Staff welfare expenses	115.55	101.42
Total	<u>907.15</u>	<u>794.33</u>

Note 25. Finance costs

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Interest on borrowings	116.01	161.78
Other borrowing costs	5.86	8.32
Total	<u>121.87</u>	<u>170.10</u>

Note 26. Other expenses

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Consumption of stores and spare parts	235.74	230.54
Power and fuel	244.06	214.44
Rent including lease rentals	16.27	17.43
Repairs and maintenance		
- Buildings	23.59	15.80
- Machinery	135.93	116.65
- Others	48.97	37.23
Insurance	13.81	11.56
Rates and taxes	20.50	11.72
Communication	15.31	13.13
Travelling and conveyance	74.18	63.85
Printing and stationery	9.29	8.17
Freight and forwarding	222.18	226.20
Discount	65.11	84.57
Business promotion	7.65	7.34
Royalty	85.87	101.03
Donations and contributions	2.62	2.45
Legal and professional	219.69	195.91
Payments to auditors #	6.09	6.56
Bad debts and advances written off	5.14	3.10
Provision for doubtful trade and other receivables, loans and advances (net)	3.79	9.23
Foreign exchange fluctuation (net)	-	44.88
Loss on assets sold / scrapped (net)	1.55	6.09
Director fee and commission	4.39	6.17
Warranty costs	72.92	36.51
Miscellaneous expenses	33.22	40.42
Total	<u>1,567.87</u>	<u>1,510.98</u>

Notes Forming Part of the Financial Statements

Note 26. Other expenses (Contd.)

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
#Payments to Auditors		
As auditors	4.20	4.20
For taxation matters	1.44	0.28
For other services	0.45	1.86
Reimbursement of expenses	-	0.22
Total	6.09	6.56

Note 27. Exceptional items - (Income) / Expenses

Particulars	For the year ended 31 March, 2013 Rs. in Million	For the year ended 31 March, 2012 Rs. in Million
Profit on sale of long term investments	-	(5.00)
Profit on sale of assets	-	(72.16)
Cost of voluntary retirement scheme	36.38	-
Others*	23.00	20.00
Total	59.38	(57.16)

* Others represents additional provision of Rs. 23 million (previous year Rs. 20 million) of disputed liabilities towards rates & taxes for previous years.

28. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31 March, 2013 Rs. in Million	As at 31 March, 2012 Rs. in Million
Contingent liabilities :		
Bills discounted, Letters of Credit and Bank guarantees	242.90	318.97
Income Tax, Sales Tax, Service Tax and Excise duty against which the Company is in appeal.	228.97	157.28
Claims against the Company, not acknowledged as debts	300.86	321.96
Total	772.73	798.21
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	100.33	111.64

29. Foreign exchange exposures

The Company enters into Foreign Exchange 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:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Amount in Foreign Currency (In million)	Amount in INR (In Million)	Amount in Foreign Currency (In Million)	Amount in INR (In Million)
1. Liabilities				
In EURO	0.12	8.67	0.05	3.47
In USD	3.04	165.55	1.26	64.35
In JPY	257.21	148.56	236.54	147.67

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

1. Liabilities				
In EURO	0.08	5.36	0.05	3.33
In USD	-	-	0.28	14.16
In JPY	8.85	5.11	91.82	58.63
2. Assets				
In EURO	-	-	0.24	15.82
In USD	0.38	20.83	0.88	45.24
In JPY	-	-	Nil	Nil

Notes Forming Part of the Financial Statements

- C) The Company has availed the long term foreign currency buyers credit (foreign currency loan) amounting to Euro 0.93 million with interest rate linked to Euribor. In order to hedge the currency risk and interest risk, the Company has entered into SWAP and forward contracts with its bankers with terms similar to the original foreign currency loan. Pursuant to the hedging of the foreign currency and interest risk, the foreign currency loan has been recorded as a fixed Indian currency loan.

30. Dues to micro, small and medium enterprises**(Rs. in Million)**

Particulars	As at 31 March, 2013	As at 31 March, 2012
a) Principal amount remaining unpaid as at 31st March	182.40	224.12
b) Interest due thereon as at 31st March	3.91	3.20
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	3.91	3.20
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.	-	-

31. Loans and advances includes due from officers of the Company current year Nil (Previous year Rs.0.61 million). Maximum amount due during the year Nil (Previous year Rs.0.64 million).

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 3.51% (Previous year 4.84%) of the total turnover of the Company. There are no reportable geographical segments.

33. RELATED PARTY TRANSACTIONS

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. Holding Company

Asia Investments Private Limited

2. Other related parties with whom transactions have taken place during the year.**A Fellow Subsidiaries**

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

B Associate

Federal-Mogul Bearings India Limited (till 15-03-2012)

C Key Management Personnel

Mr. Deepak Chopra (Chairman)
Mr. Manoj Kolhatkar (Managing Director)

Notes Forming Part of the Financial Statements

B. Details of Transactions

	(Rs. in Million)	
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Purchase of goods and services		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	199.92	203.63
- Others	3.29	3.86
Sale of goods and services		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	0.33	0.14
- Others	0.14	0.20
Reimbursement of Expenses		
<i>Holding company</i>	7.02	5.34
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	18.76	16.51
- Others	2.43	0.52
<i>Associate companies</i>	-	0.30
Inter corporate deposits given		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	70.00	40.00
Interest on inter corporate deposits		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	0.76	10.84
Repayment of Inter corporate deposits		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	50.00	115.00
Sale of Fixed assets		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	-	0.39
Sale of Investments		
<i>Associate companies</i>	-	138.10
Directors' Remuneration		
<i>Mr. Arvind Walia</i>	-	11.47
<i>Mr. Prakash Kulkarni</i>	0.29	1.98
<i>Mr. Manoj Kolhatkar</i>	10.95	5.48
Amount Outstanding as at Year end (payable)/ receivable-		
Reimbursement of expenses/purchase and sale of goods and services		
<i>Holding company</i>	0.30	(1.37)
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	(23.03)	1.07
- Others	(0.96)	0.96
<i>Associate companies</i>	0.30	(0.30)
Inter corporate deposits given		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	20.00	-
Interest free deposits		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	123.20	143.20
Towards Sale for Fixed Assets		
<i>Fellow Subsidiaries</i>		
- Anand Automotive Ltd	-	0.39

Notes Forming Part of the Financial Statements

34. The Company has the following provision in the books of account as on March 31, 2013

(Rs. in Million)

Description	Balance as on 01.04.12	Additions during the year	Used/Paid/Reversed during the year	Balance as on 31.03.13
Provision				
1) warranty*	33.95	72.92	56.42	50.45
	(37.00)	(37.60)	(40.65)	(33.95)
2) Others (Refer note 27)	25.00	23.00	-	48.00
	(5.00)	(20.00)	-	(25.00)

*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 provision outstanding as on March 31, 2013 is likely to result in cash outflow within 18 months of the Balance Sheet date.

35. RESEARCH AND DEVELOPMENT EXPENDITURE

a) Accounting for Research and Development Expenditure incurred at R&D Centres 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 12-13	FY 11-12	FY 12-13	FY 11-12	FY 12-13	FY 11-12	FY 12-13	FY 11-12
i) Capital Expenditure :								
Equipment purchase	44.13	4.58	-	0.94	1.79	17.35	45.92	22.87
Land and buildings	-	-	-	-	0.09	2.26	0.09	2.26
Total Capital Expenditure :	44.13	4.58	-	0.94	1.88	19.61	46.01	25.13
(ii) Revenue Expenditure :								
Personnel expenses	46.75	34.51	2.51	1.89	14.66	10.89	63.92	47.29
Raw Materials	0.12	0.08	0.45	0.11	0.66	-	1.23	0.19
Repair and Maintenance - P&M	0.24	0.57	-	-	0.52	0.10	0.76	0.67
- Others	0.75	0.41	0.53	0.15	-	0.11	1.28	0.67
Travel	3.00	2.72	0.04	0.03	0.21	0.20	3.25	2.95
Rent	-	0.01	-	-	-	-	-	0.01
Utilities	6.04	6.64	3.49	4.04	2.08	1.70	11.61	12.38
Vehicle Running and Maintenance	0.33	0.30	-	-	0.01	0.06	0.34	0.36
Other expenses	12.02	3.77	0.06	0.02	5.22	0.26	17.30	4.05
Total Revenue Expenditure	69.25	49.01	7.08	6.24	23.36	13.32	99.69	68.57
(iii) Less : Sales Proceeds (Income of R&D Centre)	-	-	-	-	-	-	-	-
(iv) Net Revenue Expenditure	69.25	49.01	7.08	6.24	23.36	13.32	99.69	68.57
(v) Total Capital & Revenue Expenditure	113.38	53.59	7.08	7.18	25.24	32.93	145.70	93.70

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, 2013 were as follows:

Period	As at 31 March, 2013		As at 31 March, 2012	
	Minimum Lease Payment	Present Value of Minimum Lease Payment	Minimum Lease Payment	Present Value of Minimum Lease Payment
Not later than one year	3.96	3.53	4.82	4.37
Later than one year but not later than five years	0.43	0.31	0.89	0.71
TOTAL	4.39	3.84	5.71	5.08
Less: Amounts representing finance charges	1.17	0.62	0.63	0.00
Present value of minimum lease payments	3.22	3.22	5.08	5.08

Notes Forming Part of the Financial Statements

37. Earnings per share

(Rs. in Million)		
Particulars	As at 31 March, 2013	As at 31 March, 2012
Profit attributable to Equity Shareholders (Rs. in million)-(A)	381.35	530.64
Basic/Weighted		
Average number of Equity Shares* outstanding during the year - (B)	143,643,940	143,643,940
Nominal Value of Equity Share (Rs.)	1	1
Basic/diluted Earning per Share (Rs.) – (A)/(B)	2.65	3.69

* During the year, the Company had issued bonus shares 71,821,970 in the ratio of 1:1. EPS for the previous year has been recomputed considering the bonus issue

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

(Rs. in Million)		
Particulars	As at 31 March, 2013	As at 31 March, 2012
Raw materials & components	1,876.03	1,625.60
Components	-	-
Stores, spares and tools	23.56	74.53
Capital goods	66.06	10.51
	1,965.65	1,710.64

39. Activity in Foreign Currency

(Rs. in Million)		
Particulars	As at 31 March, 2013	As at 31 March, 2012
Earning in foreign currency :		
FOB value of exports	399.76	519.96
	<u>399.76</u>	<u>519.96</u>
Expenditure in foreign currency (on cash basis) :		
(i) Commission to overseas agents	0.94	0.85
(ii) Foreign travel	5.14	1.27
(iii) Royalty	85.86	75.13
(iv) Professional fees, Other Technical & Assistance fees	4.84	7.28
	96.78	84.53

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

	2012-13		2011-12	
	% to Total Consumption	Value Rs. in Million	% to Total Consumption	Value Rs. in Million
Raw materials and components				
i) Direct Imports at landed cost	20%	1,729.95	20%	1,597.10
ii) Indigenous - Including value of imported items locally purchased	80%	7,070.38	80%	6,434.89
	<u>100%</u>	<u>8,800.32</u>	<u>100%</u>	<u>8,031.99</u>
Stores, spares and tools				
i) Direct Imports at landed cost	10%	23.56	13%	34.22
ii) Indigenous - Including value of imported items locally purchased	90%	212.18	87%	196.32
	<u>100%</u>	<u>235.74</u>	<u>100%</u>	<u>230.54</u>

Notes Forming Part of the Financial Statements

41. Dividend Remitted In Foreign Currency

(Rs. in Million)

Particulars	No. of Non-Resident Shareholders	Number of shares to which dividends relates	As at 31 March, 2013*	As at 31 March, 2012#
Interim dividend	1	7,937,360	2.38	-
Final dividend	1	3,968,680	2.38	1.59
Relating to year ending	1	3,968,680	-	2.78

*Interim dividend for the year 2012-13 and 2nd Interim dividend for the year 2011-12

#1st Interim dividend for the year 2011-12 and Final dividend for the year 2010-11

42. Disclosure in accordance with Revised AS – 15 on “Employee Benefits”

(A) Defined Contribution Plans

(Rs. in Million)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Contribution to Provident Fund	29.33	25.14
Contribution to Superannuation Fund	11.28	7.68
Contribution to Other Funds	0.10	0.09

(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)

Particulars	2012-13	2011-12
Actuarial assumptions		
Discount rate	8.50%	8.50%
Expected return on plan assets	9.25%	8.40%
Salary escalation	5.00%	5.00%
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	42.64	41.47
Current service cost	5.98	4.79
Interest cost	3.62	3.52
Benefits paid	(10.97)	(3.14)
Actuarial losses/(gains)	6.55	(4.00)
Present value of DBO at the end of the year	47.82	42.64
Change in fair value of plan assets during the year		
Fair value of Plan Assets at beginning of the year	44.06	6.00
Expected return on plan assets	4.08	0.50
Contribution	2.38	36.21
Benefits paid	(10.97)	(0.16)
Actuarial losses/(gains)	(0.15)	1.51
Fair value of Plan Assets at the end of the year	39.40	44.06
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	47.82	42.64
Fair value of Plan Assets at the end of the year	39.40	44.06
Funded status [Surplus / (Deficit)]	(8.42)	(1.42)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(8.42)	(1.42)
Expenses recognised in the Statement of Profit and Loss		
Current service cost	5.98	4.79
Interest cost	3.62	3.52
Expected return on plan assets	(4.08)	(0.50)
Net actuarial Loss recognized in the Statement of Profit and Loss	6.70	(5.51)
Total Expenses Recognised in Statement Profit & Loss	12.22	2.30

Notes Forming Part of the Financial Statements

As at March 31, 2013 and March 31, 2012 all the plan assets have been invested in insurer managed funds.

Gratuity	2012-2013	2011- 2012	2010-2011	2009-2010	2008-2009
Present value of DBO	47.82	42.64	41.47	31.37	29.52
Fair value of plan assets	39.40	44.06	6.04	5.54	5.10
Funded status [Surplus / (Deficit)]	(8.42)	1.41	(35.43)	(25.83)	(24.42)
Experience gain / (loss) adjustments on plan liabilities	(6.55)	4.00	(4.58)	(0.46)	(2.77)
Experience gain / (loss) adjustments on plan assets	0.15	1.51	-	-	0.23

The contribution 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:

(Rs. in Million)

Particulars	2012-13	2011-12			
Actuarial assumptions					
Discount rate	8.50%	8.50%			
Expected return on plan assets	0.00%	0.00%			
Salary escalation	5.00%	5.00%			
Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	25.83	24.38			
Current service cost	7.06	4.91			
Interest cost	2.20	2.07			
Benefits paid	(9.80)	(4.01)			
Actuarial losses/(gains)	2.72	(1.52)			
Present value of DBO at the end of the year	28.01	(25.83)			
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	28.01	25.83			
Fair value of Plan Assets at the end of the year	-	-			
Funded status [Surplus / (Deficit)]	(28.01)	(25.83)			
Unrecognised past service costs	-	-			
Net asset / (liability) recognised in the Balance Sheet	28.01	25.83			
Expenses recognised in the Profit and Loss account					
Current service cost	7.06	4.91			
Interest cost	2.20	2.07			
Expected return on plan assets	-	-			
Net actuarial Loss/ (gain) recognized in the Statement of Profit and Loss	2.72	(1.52)			
Total Expenses Recognised in Statement of Profit and Loss	11.98	5.46			
All the above expenses have been included under Note 24.					
Leave encashment	2012-2013	2011- 2012	2010-2011	2009-2010	2008-2009
Present value of DBO	28.01	25.83	24.38	16.98	14.96
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Funded status [Surplus / (Deficit)]	(28.01)	(25.83)	(24.38)	(16.98)	(14.96)
Experience gain / (loss) adjustments on plan liabilities	0.00	0.00	0.00	0.00	0.00
Experience gain / (loss) adjustments on plan assets	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of the Financial Statements

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:-

Sr. No.	Name of Person	Total amount Paid (Rs. Million)	Amount Allowed (Rs. Million)	Amount Disallowed (Rs. Million)
1	Mr. Prakash Kulkarni	1.84	1.84	Nil
2	Mr. Arvind Walia	9.90	5.18	4.72
3	Mr. K N Subramaniam	5.97	Nil	5.97

The company had filed a review petition to the Central Government in the financial year 2010-11 in respect of amount disallowed, which is pending for consideration.

44. The company announced compensation under Voluntary Retirement Scheme for employees in one of the unit during the year and paid a sum of Rs. 36.38 Million which is reflected as exceptional item in the Statement of Profit and Loss.
45. Previous year figures have been re-grouped/reclassified wherever necessary to conform to current years classification.

CEO/CFO Certification.

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

We, Manoj Kolhatkar, Managing Director, and Kawal Jaggi, Sr. Vice President - Finance, certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended March 31 2013, 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 27, 2013

Kawal Jaggi
Sr. Vice President - Finance

Manoj Kolhatkar
Managing Director

ATTENDANCE SLIP

Gabriel India Limited

Registered Office :

29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501

(To be handed over at the entrance of the Meeting Hall)

Name of the Shareholder
(in Block Letters)

Member's Folio
Number

Name of the Proxy (in Block Letters)
(To be filled in if the Proxy attends instead of the Member)

No. of shares held.....

I hereby record my presence at the 51st Annual General Meeting on Monday, August 12, 2013 at the Auditorium, Gabriel India Limited, 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501.

Member's/Proxy's Signature

To be signed at the time of handing over this slip

Proxy

I/Weof

being a Member of Gabriel India Limited, hereby appoint

..... of or failing him

..... of

as my/our proxy to attend and vote for me/us and on my/our behalf at the Fifty First Annual General Meeting of the Company to be held on Monday 12th August, 2013 and at any adjournment thereof.

As witness my/our hand (s) this day of 2013

Signed by the said.....





Affix
Re. 1
Revenue
Stamp



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

GABRIEL

FORM A

Sr. No.	Details	Remarks
1	Name of the Company	M/s. Gabriel India Limited
2	Annual Financial Statements for the year ended	31 st March, 2013
3	Type of Audit Observation	Un-qualified/ Matter of emphasis
4	Frequency of observation	Repetitive since 1 st April 2011
5	To be signed by :	
	• CEO/Managing Director	 Mr. Manoj Kolhatkar Managing Director
	• CFO	 Mr. Kawal Jaggi Chief Financial Officer
	• Auditor of the Company	 Ms. Padmini Khare Kaicker Partner M/s. B K Khare & Co. Ltd.
	• Audit Committee Chairman	 Mr. H R Prasad Chairman – Audit Committee