

July 29, 2016

**BSE Limited**  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
MUMBAI – 400 001  
(Company Code: 505714)

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
MUMBAI – 400 051  
(Company Code: GABRIEL)

Dear Sirs,

**Sub: Annual Report 2015-16**  
**Ref : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015**


As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2015-16 duly approved and adopted by the members at the Annual General Meeting of the Company held on July 29, 2016.

We request you to take the above information on record and kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

**For Gabriel India Limited**

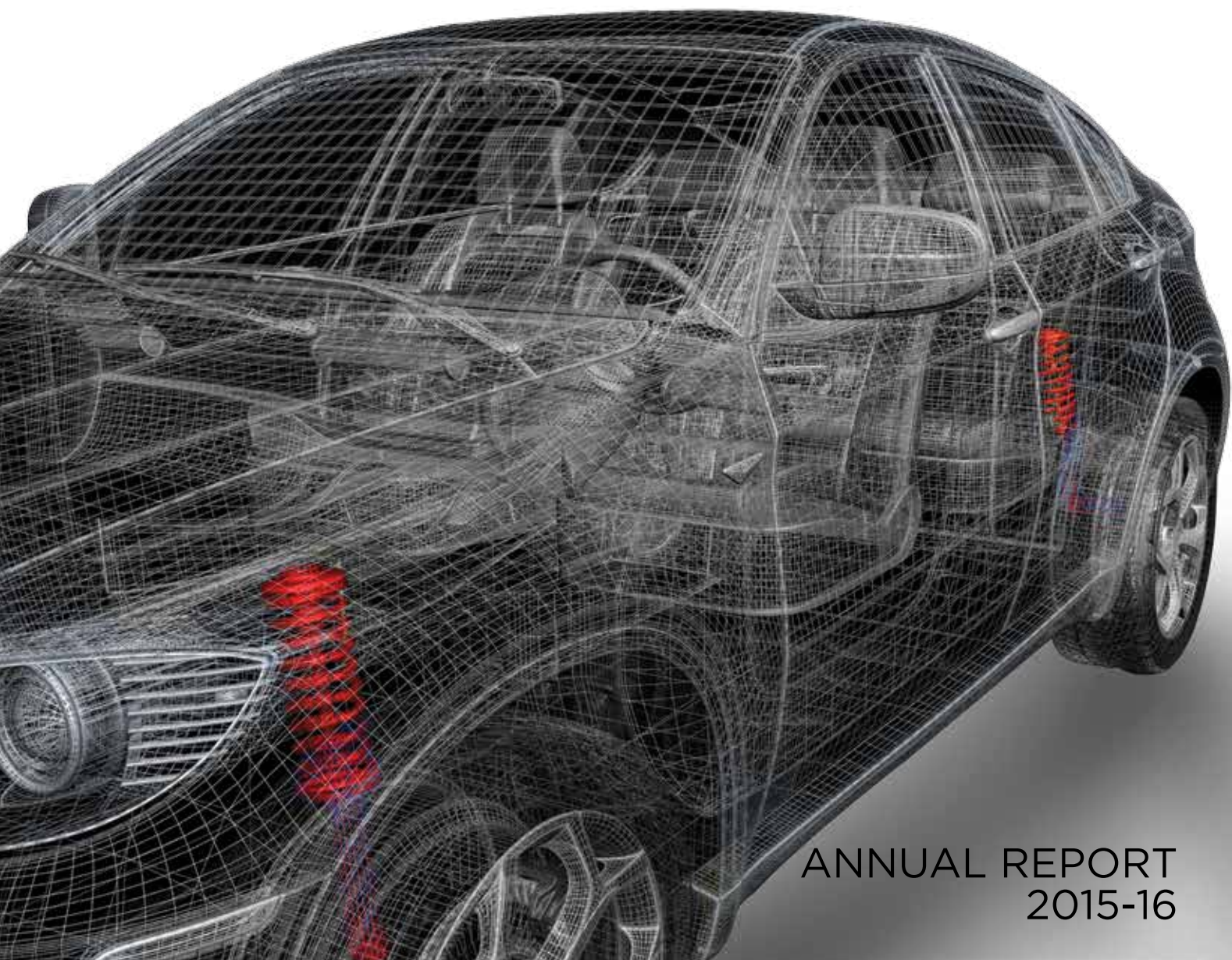
  
**Nilesh Jain**  
**Company Secretary**



Encl : a/a

**GABRIEL**

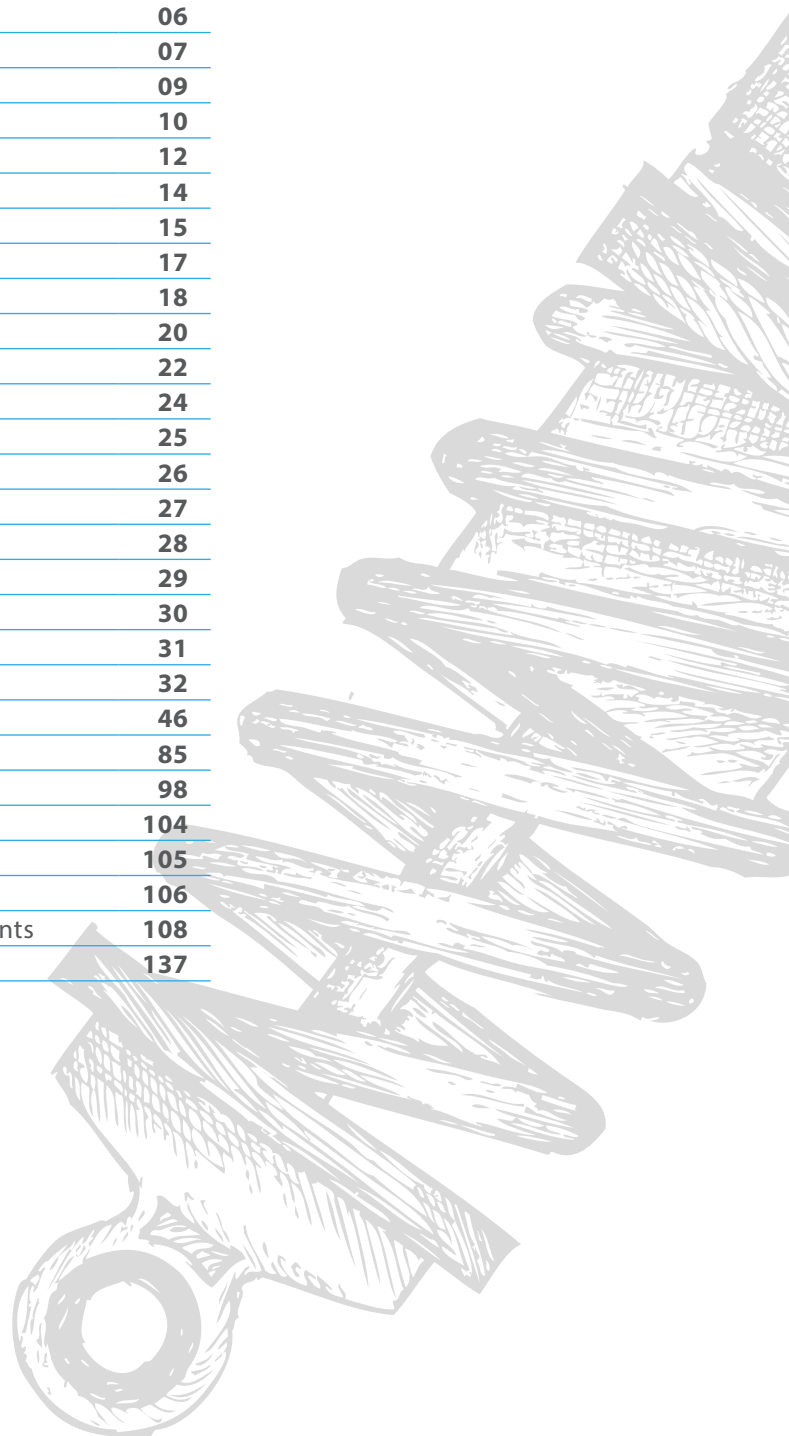
**REDEFINING RIDE COMFORT**



ANNUAL REPORT  
2015-16

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## REDEFINING RIDE COMFORT

Ride Comfort and handling is a critical aspect of any vehicle. Apart from providing a comfortable ride, shock absorber also has to manage the handling of vehicle and provide added safety to its passengers. At Gabriel, we continuously 'Redefine Ride Comfort'. Through many successful products, we deliver both comfort and ride luxury on roads in India and globally. We are consistently at the forefront of innovation in Ride Control technology. Our name is synonymous with shock absorbers in the marketplace.

Gabriel was in the forefront to introduce McPherson struts that later on became a standard feature in the Passenger Car segment. We also introduced light weight strut with hollow piston rod, world class plating technology and laser welding in the same segment. In 2-Wheelers, we introduced canister type shock absorbers in mono tube design, mono shox with floating piston and high strength aluminium outer tube for front forks. In Commercial Vehicles, we continuously upgrade the product technology that offers a high value proposition much ahead of competition.

During our illustrious history spanning 55 years, we received several awards for our contribution to the automotive industry. Our Technology Centre is highly recognised for excellence in the development of Ride Control products.

Gliding silently and smoothly over just about any road surface is our brand promise. Our foundations, beliefs and philosophies always have, and will continue to define the way we do business.



# At a Glance

We are the flagship company of ANAND Group which is a leading player in India's automotive component sector. We are the pioneers of Shock Absorber manufacturing in India and a leading automotive OEM and Aftermarket supplier for Ride Control products.

We have a strong presence as a manufacturer of high-quality Ride Control products catering to all segments in the automotive industry including 2 & 3-Wheelers, Passenger Cars, Commercial Vehicles and Railways.

We manufacture front forks and rear shock absorbers for 2-Wheelers; McPherson struts and shock absorbers for Passenger Cars; cabin dampers, seat dampers and suspension shock absorbers for Commercial Vehicles, and shock absorbers for railway coaches.

Over the last five decades, we have earned the reputation of being a complete solutions provider of innovative and proprietary products that have become our hallmark. We are innovatively inclined, technologically competitive and customer focussed. We have a leading presence across each automotive market – OEM, Aftermarket and Exports. We service the growing needs of customers through our state-of-the-art manufacturing facilities across India.

*At a Glance*

## Our Vision

Gabriel India shall be a global manufacturing and marketing company of Ride Control products respected by customers and other stakeholders 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.

### Our Competitive Advantages:



Preferred OEM supplier with strong manufacturing capabilities across India, with just-in-time delivery.



Well diversified OEM Customer Base in every automotive Segment: 2-3 Wheelers, Passenger Cars and Commercial Vehicles & Railways.



Global Technology Alliances, R&D Centres, and over 21 patents filed in Products and Processes.



Significant presence in all channels of automotive sales: OEM, Aftermarket and Exports.



Experienced & Professional Management.

*At a Glance*

1

Shock Absorber Produced  
Per Second

4

Technical Collaborations

9

Manufacturing and  
Satellite Plants

21

Patents Filed

375

Dealers Across India

6,000

Retail Outlets Selling our  
Products Across India



*At a Glance*

# Complete Range of Ride Control Products



## 2 - Wheelers & 3 - Wheelers

Front Forks

Hydraulic Shock Absorbers

Gas Shock Absorbers

## Commercial Vehicles & Railways

Shock Absorbers

Cabin Dampers

Seat Dampers

## Passenger Cars

McPherson Struts

Shock Absorbers

Cartridges

## Aftermarket Presence Across All Business Units





# Our Presence

We are headquartered in Chakan, Pune. We have seven manufacturing facilities, one each in Chakan, Khandsa, Nashik, Hosur, Dewas, Parwanoo and Sanand. In addition to this, we also have two satellite plants at Malur and Aurangabad.



# Our Manufacturing Facilities

We are the preferred supplier for Ride Control products in India, employing cutting-edge manufacturing technologies. Through our state-of-the-art manufacturing facilities, we have earned the reputation of having best-in-class performance in product engineering, quality, cost and delivery.

Our production facilities are in proximity to OEMs, facilitating just-in-time supply and reliable customer service.



## NASHIK, MAHARASHTRA

<b>Commenced Production</b>	: 1990
<b>Products</b>	: Shock Absorbers and Front Forks
<b>Business Units Served</b>	: 2 and 3-Wheelers
<b>Major OEM Customers</b>	: Bajaj, Yamaha, Piaggio, Mahindra, HMSI, Mahindra GenZe (USA)
<b>Quality Certifications</b>	: TS16949/BAL TPM

## HOSUR, TAMIL NADU

<b>Commenced Production</b>	: 1997
<b>Products</b>	: Shock Absorbers and Front Forks
<b>Business Units Served</b>	: 2 and 3-Wheelers
<b>Major OEM Customers</b>	: TVS, Suzuki, HMSI, Yamaha, Royal Enfield Motors
<b>Quality Certifications</b>	: TS16949, ISO 14001, OHSAS 18001



## AURANGABAD, MAHARASHTRA\*

<b>Commenced Production</b>	: 2014
<b>Products</b>	: Shock Absorbers
<b>Business Units Served</b>	: 2 and 3-Wheelers
<b>Major OEM Customers</b>	: Bajaj

## MALUR, KARNATAKA\*

<b>Commenced Production</b>	: 2013
<b>Products</b>	: Shock Absorbers
<b>Business Units Served</b>	: 2 and 3-Wheelers
<b>Major OEM Customers</b>	: HMSI
<b>Quality Certifications</b>	: TS16949-2009

\* Satellite Plants

*Our Manufacturing Facilities*



**PARWANOO, HIMACHAL PRADESH**

**Commenced Production** : 2007  
**Products** : Shock Absorbers, Struts and Front Forks  
**Business Units Serviced** : 2 and 3-Wheelers, Passenger Cars, Commercial Vehicles and Aftermarket  
**Major OEM Customers** : TVSM, Tata Motors and Mahindra  
**Quality Certifications** : TS16949, ISO 14001, OHSAS 18001



**KHANDSA, HARYANA**

**Commenced Production** : 2008  
**Products** : Shock Absorbers and Struts  
**Business Units Serviced** : Passenger Cars  
**Major OEM Customers** : Maruti Suzuki, Honda Cars and Tata Motors  
**Quality Certifications** : TS16949, ISO 14001, OHSAS 18001



**SANAND, GUJARAT**

**Commenced Production** : 2010  
**Products** : Shock Absorbers and Struts  
**Business Units Serviced** : Passenger Cars and 2 and 3-Wheelers  
**Major OEM Customers** : Tata Motors and HMSI



**CHAKAN, MAHARASHTRA (Captive Casting Plant)**

**Commenced Production** : 2009  
**Products** : Aluminium Casting Outer Tubes for Front Forks  
**Business Units Serviced** : 2 and 3-Wheelers



**CHAKAN, MAHARASHTRA**

**Commenced Production** : 1997  
**Products** : Shock Absorbers and Struts  
**Business Units Serviced** : Passenger Cars, Commercial Vehicles and Railways  
**Major OEM Customers** : Tata Motors, Toyota, Renault, General Motors, Volkswagen, Mahindra, Railways, Bajaj and Piaggio  
**Quality Certifications** : TS16949, ISO 14001, OHSAS 18001



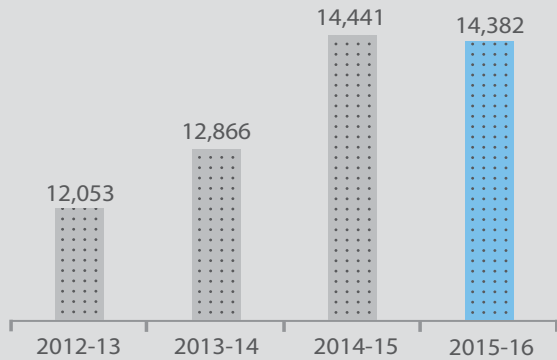
**DEWAS, MADHYA PRADESH**

**Commenced Production** : 1992  
**Products** : Shock Absorbers  
**Business Units Serviced** : Commercial Vehicles  
**Major OEM Customers** : Tata Motors, Mahindra, Daimler-Bharat Benz, Ashok Leyland, VE Commercial Vehicle, Force Motors, Wheels India, MAN Trucks, Asia Motor Works, Ride Control LLC - USA  
**Quality Certifications** : TS16949 – 2009, OHSAS 18001 – 2007, ISO 14001 – 2005, QCFI Lifetime Membership

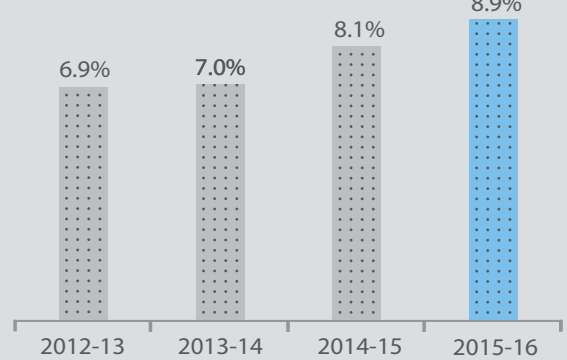
# Key Financials

Gabriel India performed well across all key aspects of business. During the year under review, we improved profitability and asset turn amidst a challenging environment.

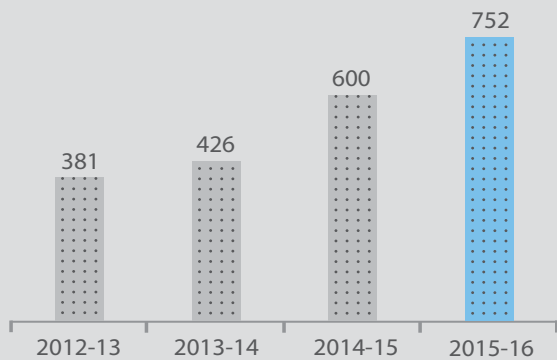
## REVENUE (Rs in million)



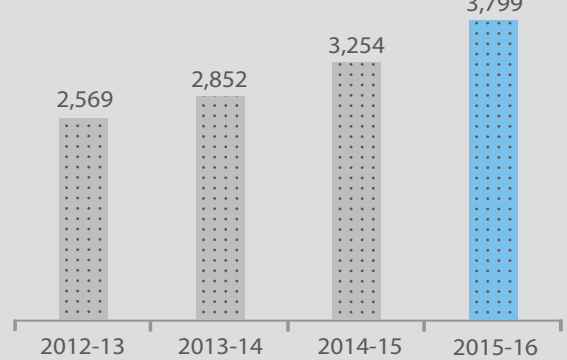
## EBITDA MARGIN (%)



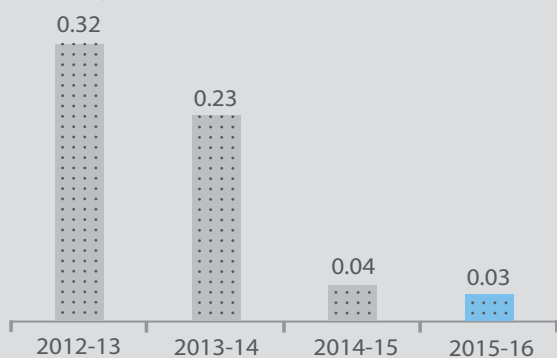
## PROFIT AFTER TAX (Rs in million)



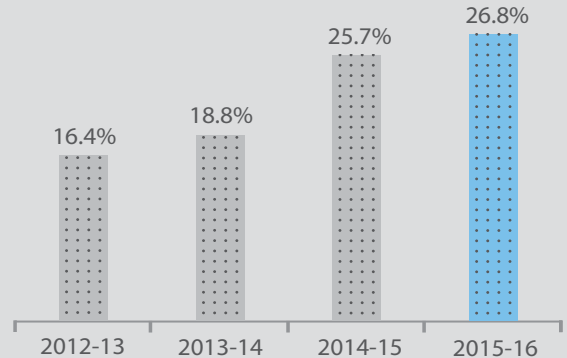
## NET WORTH (Rs in million)



## DEBT-EQUITY RATIO



## ROCE (%)



# Evolution of Gabriel

Established in 1961, Gabriel India is a market leader and a brand that is synonymous with Ride Control products in the Indian automotive industry.



**1961** Mr. DC Anand founded Gabriel India. First plant is set up in Mulund, Mumbai

**1965-75** Started supplies across segments to OEMs like TELCO, Bajaj Auto, Mahindra & Mahindra, Premier Auto, Ashok Leyland, Hindustan Motors



**1978** Becomes a listed company with its Public Issue

**1980-85** Acquired business from Swaraj Mazda and VECV (formerly Eicher Motors)

**1985** Launch of in-house Special Purpose Machine design centre

**1987** Khandsa plant set up to supply to Maruti Suzuki

**1988** McPherson struts launched

**1990-91** 3rd plant set-up at Nashik for manufacturing shocks and front forks for 2-Wheelers

**1991** Tie up with SOQI, Japan

**1992** Commissioning of Dewas plant for Commercial Vehicles



**1993** Recruits educated workers called 'Operating Engineers' on its shop floors

**1994** Supply to TVS Motors commenced

**1995** Gabriel India Limited acquired Stallion Shox

**1996-97** Chakan plant set up for Passenger Cars segment and Hosur plant for motorcycle segment

Started manufacturing Gas Shock Absorbers

**1997** Technology Assistance Agreement signed with KYB Corp.

**1998** Acquired TATA Motors' 1st Passenger Car project

Sets up its state-of-the-art validation centre in Chakan. Becomes self-sufficient in designing and developing indigenous customised solutions



**2002** Exports to Yamaha (Japan) commenced

**2004** Receives Hyundai 100 PPM Award, establishing it as a manufacturer of quality products

**1998-2004** Business Award from Honda Motorcycles and Scooters, General Motors, Toyota Kirloskar Motor, Ford and Hyundai

**2006** Business acquired from Renault India and also developed 1st Ride Tuning Van

**2007** Sets up the Parwanoo facility, manufactures shock absorbers for Commercial Vehicles and 2-Wheelers, struts for Passenger Cars and front forks for motorcycles

**2008** Becomes the first company in Asia to install the 'Dynachrome' Automation Machine and registers 4 patents

Entry into Suzuki Motorcycles

Business awarded for Yamaha 'New Gen' motorcycles



**2009** Starts manufacturing specialty castings and commences backward integration process for 2- Wheelers with Japanese collaborators

**2010** Sets up manufacturing facility at Sanand

Acquired business from Honda cars for the 1st time for Passenger Car (Brio)

Supply commenced to Volkswagen India

R&D Facility at Chakan recognized by Department of Scientific Industrial Research (DSIR)

2011 R&D Facility at Hosur & Nashik recognized by DSIR

## 1961

## 1978

## 1993

## 2002

## 2011

Evolution of Gabriel

# 2012

Strengthens Aftermarket through highly successful loyalty programme - "Elite Retailer Programme"

Recognised by Great Place to Work® as one of top 3 auto component companies in India

Receives Prestigious "Golden Peacock" Eco-Innovation Award

FICCI Quality Systems Excellence Award for manufacturing in 2012, consequently for two years



# 2013

With key focus on R&D, launches a full-fledged new 2-Wheeler R&D centre in Hosur

Expanded presence in China with inauguration of China office

Commissioned 1st Robotic Shock Absorber Line at Gabriel Hosur



# 2014

Mrs. Anjali Singh, Chairperson of ANAND Supervisory Board appointed as Chairperson of Gabriel India, Board of Directors

To enhance product and customer focus, Strategic Business Units (SBUs) based on product sectors were formed each headed by a Chief Operating Officer. 2 and 3-Wheelers (TW), Passenger Cars (PC), Commercial Vehicles and Railways (CVR) and Aftermarket SBUs formed.

Signs a technology license agreement with KONI B.V. part of ITT Corporation for Commercial Vehicles, Buses and Industrial Equipment suspensions in India.

Late Dr. APJ Abdul Kalam, former President of India, eminent scientist and Bharat Ratna inaugurated the 2nd Innovation Concourse at Gabriel Chakan

# 2015

Great Place to Work® recognizes Gabriel as 43rd best place to work in India and 2nd in the Indian Auto Component industry for 2015

Gabriel India listed as one of 'India's Top 500 Companies' by Dun & Bradstreet for three years in a row and also one of the 'Fortune India's Next 500 Companies' by Fortune India & Business Standard



# 2016

Becomes a technology provider to Gabriel De Colombia

Aftermarket business achieves a record sales of INR 200 Cr

Exports of customized machines for Shock Absorber manufacturing to Torre South Africa. These machines are built in-house with indigenous technology

Received an approval to manufacture Linke- Hofmann-Busch (LHB) Dampers from Indian Railways for high-speed trains



# Awards & Accolades

Our industry-wide reputation is reflected in the awards and accolades we have won over the years. These awards recognize us for our manufacturing excellence, customer orientation, commitment to the environment and for providing an inspiring workplace.

## Silver Quality Award

Bajaj Auto Ltd.



Gabriel has been awarded with Silver Quality Award from Bajaj Auto Ltd. during the BAVA (Bajaj Auto Vendors Association) Waluj Cluster Convention 2016

## Quality Circle Champion Award

Honda Motorcycles and Scooters



Gabriel Nashik QC (Quality Circle) team won Western region HMSI QC Champion Award for 2015

## Gold Trophy for Excellence

ACMA



Gabriel Khandsa awarded with Gold Trophy for Excellence in HR for 2015 by ACMA

## Manufacturing Excellence Award

FICCI



Gabriel Dewas won 2nd prize in FICCI Manufacturing Excellence Award for 2015 under the "large" category

## Strong Commitment to HR Excellence

CII



Gabriel, Chakan recognized by CII for "Strong Commitment to HR Excellence" at the 6th National HR Excellence Conclave 2016

## Bronze Award in ICQC

International Convention on Quality Circle



Gabriel Parwanoo team won the Bronze Award at the International Convention on Quality Circle (ICQC) in 2015 at South Korea

## State-Level Quality Award

Quality Mark Trust



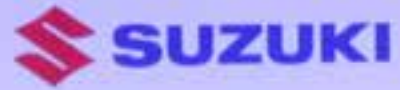
Gabriel Dewas won the State-level Quality Award under Automobile Category for 'Make in India' concept for 2015

## India's Best Companies to Work

Great Place to Work®



Gabriel India recognised as 43rd India's Best Company to Work for in 2015 and Second Best in the Automotive Industry



Gabriel India was recognised for its efforts and performance in “Overall Cost Reduction” during the year FY2016 by Suzuki Motorcycles India



# Financial Highlights

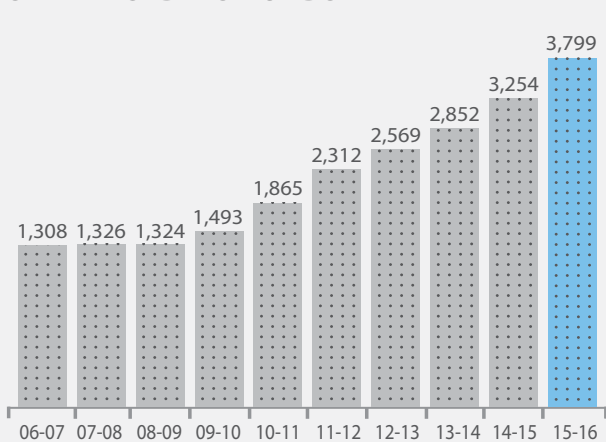
(Rs in million)

Particulars	2015-16	2014-15
Domestic Sales	13,677.8	13,746.4
Export Sales	586.4	552.0
Total Sales (Net of Excise)	14,264.2	14,298.4
Profit Before Tax	954.9	835.5
PBT as a % to total Sales	6.7	5.8
Profit After Tax	752.4	600.2
PAT as a % to Total Sales	5.3	4.2
Equity	143.7	143.7
Reserves & Surplus	3,655.6	3,110.6
Net Worth	3,799.3	3,254.3
Book Value per Share (Rs)	26.4	22.7
Earning per Share (Rs) -Basic & Diluted	5.24	4.18
Dividend per Share (Rs)	1.20	1.05

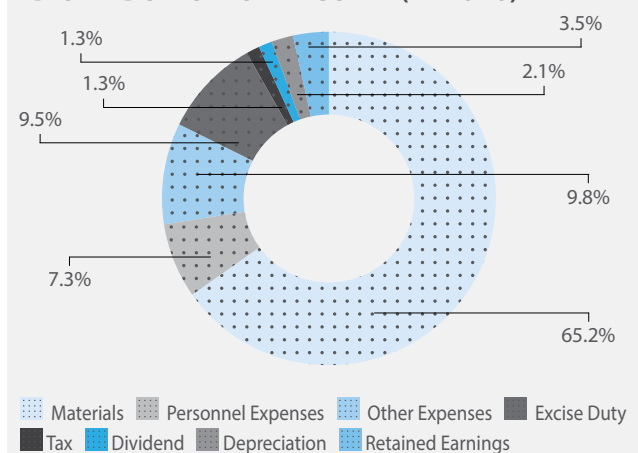
(Rs in million)

(In %)

## SHAREHOLDERS' FUNDS



## DISTRIBUTION OF INCOME (FY2016)



# Working Results At a Glance

(Rs in million)

Year	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Share Capital	72	72	72	72	72	72	144*	144*	144*	144*
Reserves & Surplus	1,236	1,255	1,252	1,421	1,794	2,241	2,425	2,708	3,111	3,656
Shareholders Funds	1,308	1,326	1,324	1,493	1,865	2,312	2,569	2,852	3,254	3,799
Loans	737	1,466	1,573	1,505	1,539	1,251	813	670	139	112
Deferred Tax Liability	106	104	106	141	157	133	111	96	105	104
<b>Funds Employed</b>	<b>2,151</b>	<b>2,896</b>	<b>3,003</b>	<b>3,139</b>	<b>3,561</b>	<b>3,697</b>	<b>3,492</b>	<b>3,617</b>	<b>3,499</b>	<b>4,016</b>
Fixed Assets(Gross)	2,251	2,786	3,211	3,479	3,933	3,966	4,658	5,046	5,273	5,585
Depreciation	1,070	1,193	1,315	1,514	1,724	1,791	2,040	2,249	2,565	2,838
Net Block	1,181	1,593	1,896	1,965	2,209	2,175	2,618	2,797	2,708	2,746
Investments	10	143	133	133	133	0	0	0	0	0
Cash and Bank Balance	196	122	91	134	39	56	74	47	39	362
Net Current Assets	765	1,039	883	907	1,180	1,466	799	773	752	907
<b>Net Assets Employed</b>	<b>2,151</b>	<b>2,896</b>	<b>3,003</b>	<b>3,139</b>	<b>3,561</b>	<b>3,697</b>	<b>3,492</b>	<b>3,617</b>	<b>3,499</b>	<b>4,016</b>
Gross Sales	6,011	5,417	5,813	7,519	10,482	12,152	13,219	14,080	15,802	15,765
EBITDA	320	245	264	625	888	941	826	904	1,168	1,276
Interest	66	75	163	148	171	170	123	90	55	25
Depreciation	127	138	153	202	219	276	273	271	311	332
Profit/(Loss) Before Tax	981	124	72	352	591	624	412	558	835	955
Tax	250	47	16	112	120	94	30	132	235	203
Prior Period Items	-	-	-	-	17	-	-	-	-	-
Profit/(Loss) After Tax	731	76	56	240	453	531	381	426	600	752
Extraordinary Items (Net of Tax)	(545)	-	(33)	-	-	(60)	25	-	-	-
Profit/(Loss) After Tax @	186	76	23	240	453	470	406	426	600	752
PBT % @	5.4%	2.6%	0.6%	5.1%	6.1%	4.9%	3.7%	4.4%	5.8%	6.7%
PAT % @	3.6%	1.6%	0.4%	3.4%	4.7%	4.2%	3.4%	3.3%	4.2%	5.3%
ROCE% @	16.9%	8.2%	6.8%	17.0%	23.8%	20.6%	16.4%	18.8%	25.7%	26.8%
Dividend per Share #	0.35	0.35	0.35	0.42	0.50	0.50	0.75	0.85	1.05	1.20
Earnings per Share #@	1.29	0.53	0.16	1.67	3.15	3.27	2.83	2.97	4.18	5.24
million Nos.										
Production										
Shock Absorbers, Struts & Front Forks	12.4	11.8	10.8	14.6	18.4	19.6	19.7	22.2	24.0	27.0

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

# In computing the Dividend per share and the Earnings per share, the number of bonus shares are assumed to be issued at the beginning of earliest period reported, in accordance with Accounting Standard (AS) 20 Earnings Per Share.

@ Excluding extraordinary items



**GABRIEL**



# KEY MESSAGES

# Chairperson's Message to Shareholders

The ambitious Automotive Mission Plan 2026 expects the automotive industry to grow from the current turnover of 39 billion USD to 200 billion USD, a growth rate of more than 17% in the next 10 years, which provides related growth potential for automotive components.



*“We will provide a renewed impetus on strengthening the ‘Culture of Quality and Safety’ across the company.”*

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**ANJALI SINGH**  
Chairperson

Dear Shareholders,

During FY2016, the Indian economy recorded a five-year-high growth rate of 7.6%, compared to 7.2% growth in FY2015 and 6.6% in FY2014, making it the world's fastest growing economy. The Government has taken several steps to improve the country's economic environment, including simplifying approval procedures, reforming the tax regime, increasing investment in infrastructure and addressing the issue of subsidy leakage. Foreign investment inflow into the country increased by 39% in FY2015, and India climbed 12 notches on the World Bank's 'Ease of Doing Business'. An integrated set of initiatives, including 'Make In India', 'Start-Up India' and 'Skill India', are also expected to help significantly in growth and job creation.

This year, the Indian automobile industry continued reasonable improvement in all vehicle segments other than 2-Wheelers, entering positive growth territory from -2% in FY2014. The Indian auto component industry thus reported overall growth of 8.8% in FY2016. The ambitious Automotive Mission Plan 2026 expects the automotive industry to grow from the current turnover of 39 billion USD to 200 billion USD, a growth rate of more than 17% in the next 10 years, which provides related growth potential for automotive components.

## OUR PERFORMANCE

I am pleased to report that your Company delivered excellent

*Chairperson's Message to Shareholders*

results in FY2016 and made commendable progress towards further cementing our identity as India's leading manufacturer and brand of Ride Control products.

During FY2016, the 2-Wheeler industry, which accounts for 58% of the Company's sales and has been an important contributor to our growth in previous years, witnessed flat growth. Despite this, the Company was not only able to almost meet its sales target, but exceeded its profit target. It was heartening to see all the Strategic Business Units (SBU's) perform well, especially the Passenger Car and Aftermarket SBU, which saw good progress on account of higher sales from new launches.

The total sales of the Company was Rs 14,264 million as against Rs 14,298 million in FY2015. While sales was flat, the increase in our bottom-line was remarkable as Profit After Tax increased from Rs 600 million in FY2015 to Rs 752 million in FY2016, an increase of 25%. This strong performance was the result of a number of concurrent initiatives taken by the Company, which are discussed in detail in the Annual Report.

Dividend per share has been rising over the years – from Re 0.50 in FY2011 to Re 1.05 in FY2015. We propose a total dividend of Re 1.20 per share of Re 1 each, translating into a pay-out ratio of 23%.

Last year, Gabriel started its journey as a technology provider to Gabriel De Colombia. This is an important milestone whereby not only is the company an exporter of products, but also of knowledge and technical know-how. This is a testimony to the focused work and achievements in technology development during the last few years.

In 2015, Gabriel was recognized by the Great Place to Work® Institute – it was ranked 2nd and 43rd in the Auto Component Industry and Overall categories respectively. This was an acknowledgement of Gabriel's respect for people, empowerment, accountability, meritocracy and career development programmes. The company truly believes in developing the employees of today into leaders of tomorrow.

At the recently concluded Annual Supplier Meet for 2015-16 of Mahindra Group, ANAND was conferred with the prestigious "Business Partner of the Year" award. This is a coveted recognition from our valued customer, a truly proud moment for ANAND and for each of our companies including Gabriel India. Also, our quality products and processes have been recognised consistently by industry and customers. The Dewas plant won the 'FICCI Quality Systems Excellence Award for Manufacturing'. Gabriel also received the 'Overall Cost Reduction' Award from Suzuki Motorcycles, 'Silver Quality' Award from Bajaj Auto and the Bronze Award at the International Convention on Quality Circle in South Korea, the latter being for the first time in an international convention. We also won several industry awards in Quality Circle Events.

**WAY FORWARD**

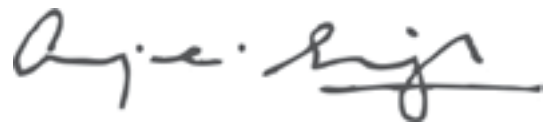
The Indian GDP is expected to grow by 7.8% in FY2017, and around 8% in FY2018. In addition to continuing its current initiatives further reform measures from the government, like implementation of GST, simplified and transparent fiscal laws and measures to attract foreign investments in infrastructure will further accelerate the growth of the Indian economy and automotive industry.

Exports and Aftermarket will be the major drivers in our future growth. Our focus in developing these businesses will be to strengthen the 'Gabriel Brand', achieve greater market penetration in India, development of export markets and new product development and launches.

We will provide a renewed impetus on strengthening the 'Culture of Quality and Safety' across the company. By deploying world-class quality and safety standards, tools and systems, we will bring focus in both manufacturing processes and corporate services to internal and external customers. Nothing short of 'Best in Class' will suffice.

As always, we will continue to work diligently on building a culture of performance and to 'Deliver on our Commitments'.

With my best wishes,



**Anjali Singh**  
Chairperson  
Gabriel India Limited

# Managing Director's Message to Shareholders

We are always underscoring our research and development efforts, with a continued focus on innovations that yield substantial benefits to customers. We are continuously reinforcing our brand, retailer connect and enhancing brand recall.

Dear Shareholders,

FY2016 has been an eventful year for Gabriel India Limited – one of optimism and renewed vigour. We delivered strong growth in Commercial Vehicles, Passenger Cars and Aftermarket sales and also improved our profitability. This was in the backdrop of an uncertain macro-economic environment and dwindling 2-Wheeler sales, as industry growth was largely driven by new launches in Passenger Cars, Commercial Vehicles and Scooter segments. Our ability to continuously introspect and rapidly execute the requisite changes, pertaining to the external and internal environment, truly makes us a pioneer in our own right.

During the year, we leveraged our strong brand and distribution network by launching new products and product lines. Our constant endeavour was to sustain our leadership position in the shock absorber domain, aided by new contract wins across segments. In exports, we carried forward our strategy of entering new geographies and securing new business.

## BRAND REINFORCEMENT

Being an established domestic player doesn't give us the license to be complacent. We are continuously sharpening our local advantage, while strengthening our global competitive edge. We are always underscoring our research and development efforts, with a continued focus on innovations that yield substantial benefits to customers. We are continuously reinforcing our brand, retailer connect and enhancing brand recall. Driven by customer centric inventions, we are continuously rolling out interesting products that fortify our already robust portfolio. Further, to drive optimal organisational efficiency across our operations, we are meticulously focussing on improving cost management and working capital management, strengthening the supply chain and improvising capacity utilisation of our manufacturing plants.

## REVENUE AND CHANNEL MIX

Our sales to Commercial Vehicles and Passenger Cars have gone up as a share of total sales. Aftermarket sales also improved to

13% from 11% in FY2015. We partnered with several automobile manufacturers during the year for new launches across segments. This included passenger vehicles such as Maruti S-Cross, Maruti Vitara Brezza and Mahindra KUV100; 2-Wheelers such as Royal Enfield Himalayan and Mahindra Mojo; Commercial Vehicles such as Mahindra Jeeto, DAIMLER Buses and several other launches. In our Railways vertical, we are working towards adding new products to service the increased requirement for high-speed coaches.

## FINANCIAL PERFORMANCE

Even though our top line hasn't grown well, our bottom line continues to witness an improving trend. We recorded revenue from operations of Rs 14,382 million during the year, compared Rs 14,441 million in the previous financial year. The drop in sales was primarily owing to a decline in the 2-Wheeler segment and commodity price correction being passed on to the customers. We clocked 12.7% CAGR in sales over a six year period (between FY2010), which is higher than the average for the automotive industry.

EBITDA was Rs 1,276 million during the year under review, as against Rs 1,168 million in FY2015. EBITDA margin too has been rising consistently from 6.9% in FY2013 to 8.9% in FY2016. Profit After Tax was Rs 752 million (5.3% of sales), compared to Rs 600 million (4.2% of sales) in FY2015, despite absorbing the impact of bonus payment, arising due to retrospective amendment of Bonus Act, 1965. PAT recorded 21% CAGR during FY2016. Better working capital management and cost control also led to improvement in ROCE, which improved to 26.8% in FY2016, up from 25.7% in FY2015. We closed the year with a cash balance of Rs 362 million, which has been invested in fixed deposits.

## BETTER PROFITABILITY AND PREDICTABLE GROWTH

Our EBITDA margins improved during the year due to better working capital management, better cost controls and operating leverage benefits. Margins also expanded as a result of efficiency

*Managing Director's Message to Shareholders*

“We are also unleashing the power of Brand Gabriel and leveraging our relationships with global OEMs in India to penetrate their global operations. We foresee untapped potential in several key markets across Europe, Africa and America, even as our focus on the Asian market remains intact.”

gains due to cost rationalisation, softer raw material prices and higher contribution from exports and Aftermarket. Yet another driver for enhanced margins has been our improved product mix. Several new products which connected well with the distribution network also led to improved market sales.

### **STRENGTHENING LOCALLY, ASPIRING GLOBALLY**

Our aspirations are not confined to India's boundaries. We are also building a solid exports-driven global business by leveraging our diversified product portfolio and making inroads into lucrative overseas markets. We are also unleashing the power of Brand Gabriel and leveraging our relationships with global OEMs in India to penetrate their global operations. We foresee untapped potential in several key markets across Europe, Africa and America, even as our focus on the Asian market remains intact. Concurrently, there is healthy potential for exports and we are continuing to make concerted efforts in this area, although actual conversion of orders into sales volumes may take a while.

### **IMPROVEMENT IN AFTERMARKET**

Our overall business is strongly supported by the Aftermarket segment. During the year, we improvised on our product range considerably, particularly in the 2-Wheeler segment. We launched new allied products and product lines and continued to leverage our existing the distribution network.

### **WAY FORWARD**

We are uniquely positioned to grow across segments and channels – both locally and globally, given the depth of our portfolio, strategic partners, sound technology, strong financials, brand equity and, above all, a great team. We anticipate a spurt in demand and sales



**MANOJ KOLHATKAR**

*Managing Director*

this year, given a positive outlook on monsoons and implementation of the Seventh Pay Commission, which we hope will facilitate the auto OEM revival. Gabriel is well positioned to benefit from the expected revival.

The journey ahead of us is indeed riveting. We, at Gabriel, shall continue our focus on technology, efficiency improvement, sustainable manufacturing and exports. Our passion, professionalism and perseverance of working with our customers, partners and with each other gives us an exceptional future outlook.

I take this opportunity to thank our shareholders for their unflinching support and also thank our employees for their dedicated efforts.

We stand firm in our commitment to build a sustainable business and deliver value to all our stakeholders.

Warm Regards,

**Manoj Kolhatkar**  
*Managing Director*  
Gabriel India Limited





# OUR KEY VALUE-BUILDING STRATEGIES



*Our Key Value-Building Strategies*

# ENGINEERING EXCELLENCE

Comfort and safety for automobile users is our ultimate aim. Our vision is to be a global manufacturer of Ride Control products and to be a benchmark in product engineering, quality, cost, delivery and speed of response. Our key focus areas in R&D are application engineering, equipment and process engineering, and innovation and is based on three broad principles. One, developing light weight products at competitive costs. Two, developing products that will last longer with reduced replacement cycle. Three, manufacturing of affordable embedded electronics for key products.

## WORLD-CLASS R&D CENTRES

We continue to invest in futuristic technology to enable robust design and faster launch of new products. We are committed to spend 15-20% of our total capital expenditure towards R&D every year. Our recurring and capital expenditure on R&D for FY2015-16 is around 1.33% of sales, an increase over the previous year.

We have a continued focus on customer-centric R&D yielding substantial benefits through three state-of-the-art R&D centres at Chakan, Hosur and Nashik. These facilities have hi-tech equipment and unmatched facilities, approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India. They possess proven capability for end-to-end product development, including conceptualising, designing, prototyping, testing and validation.

Our R&D Centres help improve speed, agility and quality of product development and also in incorporating product improvements, leading to increased customer satisfaction and reducing time-to-market. Customers use these centres to conduct ride tuning exercises, and also on-site through custom built mobile Ride Tuning Van. The Hosur R&D Tech centre with around 30 engineers is

dedicated to the 2-Wheeler Business Unit. Through this world-class centre, we co-develop (with OEM customers) products which are cost effective and suitable for Indian road conditions.

## INTEGRATED SOLUTIONS PROVIDER

We are a complete solutions provider for Ride Control. We are the first Indian company to indigenously develop shock absorber sets for high-speed railway trains. We have pioneered the development of new technology for products used in sports motorbike. We have developed the first Adjustable Electronic-Hydraulic Shock Absorber for a leading SUV vehicle in the Aftermarket. We have in the past earned national recognition for manufacturing light weight shock absorbers, and also bagged the Golden Peacock Eco Innovation Award for the same.

## INNOVATION

Innovation is the key theme across all our plants and central functions. We have identified 250 Innovators within the Company, who have acquired the skills of creating value, thinking out-of-the box, innovating cultural change and challenging the fundamentals. The outcome of this initiative has been savings on energy and the innovation of products. In the coming years, we expect to double the number of innovators and making innovation a "Way of Life" at Gabriel.



*Our Key Value-Building Strategies*

# FINANCIAL STRENGTH

We are dedicated to deliver better profitability coupled with predictable growth. Our efficiency improvement measures are having a positive effect. During FY2016, we improved our EBITDA by 81 basis points to 8.9%, as compared to 8.1% in FY2015 and 7% in FY2014, through better control on costs and taking full advantage of our operating leverage. This steady improvement has been the result of our focus on improving efficiencies at our plants, improving product quality, moderating costs and scaling production. This is also the result of our presence across segments and our enlarged product portfolio.

Our ROCE, too, has been on an uptrend – improving from 18.8% in FY2014 to 25.7% in FY2015, and further to 26.8% in FY2016. We have achieved this on the back of prudent capital expenditure control and an improvement in the volume of working capital required. Our continued focus on cash flow has led to control on working capital and building a cash balance of Rs 362 million as on March 31, 2016.

Our constant focus on cost control has led to reduction of expenses from 14.3% as a percentage of sales to 11.7% over last three years. Our debt reduction from Rs 1,505 million in FY2010 to Rs 112 million in FY2016 has helped deleverage our balance sheet. Our debt to equity ratio is 0.03. We discontinued acceptance of public fixed deposits with effect from November 2015 and the outstanding amount of Rs 59 million will be repaid over its original maturity. Overall, we have the benefit of a strong balance sheet.

Our Capital Expenditure in FY2016 was Rs 388 million, compared with Rs 348 million in FY2015. Going forward, based on our existing plans for product launches and plant upgradations, our Capital Expenditure will be maintained at moderate levels in FY2017.

We are excited about our future. We are persistently exploring ways to further improve our top line growth and profitability. We continue to work with revenue enhancing and efficiency improvement measures to capitalise on the favourable position we have in a growing market for auto components. We are further optimising our plant efficiencies by improving engineering quality, reducing rejection levels and improving overall productivity. Our focus will be on growing revenue, bringing down costs further and increasing our quality.

*We are excited about our future. We are persistently exploring ways to further improve our top line growth and profitability. Our focus will be on growing revenue, bringing down costs further and increasing our quality.*



## Our Key Value-Building Strategies

## GREAT PLACE TO WORK®



At Gabriel, HR practices and processes have always been far-sighted and employee centric. Our value proposition to employees is based on a strong focus on employee development, exciting work culture, competitive compensation and the pursuit of excellence. A motivated and empowered workforce gives us flexibility in adapting to future needs of our business.

We offer a unique and great work culture and a spectrum of opportunities for employees to explore and grow. The Company offers job rotation, multi-function responsibilities and overseas secondment to encourage cross-functional exposure and cross-pollination of ideas. Our leadership development programmes are aimed towards grooming future leaders by giving them a holistic perspective and enhancing their knowledge capital.

### EMPLOYEE TRAINING

1. We invested in training for Lean Manufacturing, Kaizen and Six Sigma, strengthening technical and management capabilities.
2. We participated in various programmes of ANAND Group, such as ANAND Leadership Development Programme (ALDP) and ANAND Mentor Programme, strengthening our human capital.

3. We continued our institutionalised growth plan (Engineer's Pipeline) which provides employees with the opportunity to gain knowledge across critical domains (production, product and process engineering, maintenance, quality, supply chain, IT, human resource, administration and finance).

Training programmes for soft skill development such as leadership, time management, personality development and stress management were also organised.

### PEOPLE PRACTICES FOCUS

Our employees are team players trained with the right skills to deliver customer satisfactions all the time. Our philosophy and innovative people practices have earned the Company an efficient and dedicated workforce. We have a people-practices focus on personal and professional development to align individual goals with organisational objectives.

Gabriel has been duly recognised for its employee centric philosophy by the Great Place to Work (GPTW) Institute. Gabriel has won the GPTW award in 2012, 2015 and 2016. In 2015 we were the 2nd ranked company within "Automotive Sector" and 43rd overall.

# COMMITMENT TO THE ENVIRONMENT



Sustainable Development meets the needs of the present, without compromising the ability of future generations to meet their own needs. At Gabriel India, sustainability is a value. We are on our way to establish ourselves as India's most sustainable auto components manufacturer.

The Company continues to focus on green initiative and is working towards making eco-friendly products. During the year under review, the Company embarked on the following activities:

- Harnessing green energy from solar plant located at Chakan and Hosur plants
- Initiatives such as sourcing of green energy and usage of waste heat for improving equipment efficiency
- Using LED lighting technology at our plants for improving energy efficiency
- Extensive tree plantation

Sustainability is considered in every stage across the life cycle of the products. We continue to invest in innovative technologies, which will contribute towards developing more efficient vehicles and environmentally friendly production.

We are focussing on renewable sources of energy. Since 2011, we have reduced CO<sub>2</sub> emissions of 4 lakh tonnes, equivalent to 7 lakh mango trees or 10,000 acres of plantations. We continue to upgrade our technologies to reduce carbon footprint and carry forward our commitment to sustainability.

*At Gabriel India, sustainability is a value. We are on our way to establish ourselves as India's most sustainable auto components manufacturer.*

Our Key Value-Building Strategies

# EXPORTS

Currently, we predominantly export into the USA, Italy, Japan, Iran and Columbia in the OEM and Aftermarket. During FY2016, we recorded exports of Rs 586 million, a growth of 6.2% compared to Rs 552 million in FY2015. Correspondingly, exports as a proportion of sales increased from 2.8% in FY2014 to 4% for FY2016. Moving ahead, our objective is to enhance this to double-digit range.

Our recent export orders include Mahindra GenZe USA for e-Scooter and ISUZU Commercial Vehicles for Thailand and Indonesia. We have a steadily growing presence in markets such as South Asia, Africa, Latin America and Australia. Moving ahead, we are focusing to increase our presence in Aftermarket of South East Asian countries.

Through market research and systematic approach, we are exploring global opportunities and high potential export markets. We are widening our customer reach and enhancing quality standards to ensure our products are readily qualified to meet and exceed our customers' stringent approval standards. Our aim is to reduce our dependence on the Indian market, enhance our competitiveness and accelerate revenue growth.



Mr. Danilo Arguello, President, Gabriel De Colombia visited Gabriel, Chakan Plant



Mr. Vinod Aggarwal, CEO, Volvo Eicher Commercial Vehicles visiting Gabriel product display at ANAND Technology day held at VECV, Indore

## Our Key Value-Building Strategies

# AFTERMARKET

We have a 375-strong dealer network across India with 6,000 retail outlets, supported by a highly-trained Gabriel sales force. We have established a leading position in Aftermarket through launch of new products, improved engagement with the distribution network and quality products.

Our sales in Aftermarket touched Rs 2,008 million in FY2016, compared to Rs 1,712 million in FY2015, registering a 17% growth.

## ELITE RETAILER PROGRAMME

The Company's "ELITE RETAILER" programme is a key initiative to strengthen the Gabriel brand and connect with retailers. In the first phase, 500 premier retailers have been selected for this programme. We are aiming to connect with retailers emotionally, understand their specific needs and to improve loyalty. We plan to reach another 1,500 by 2018.

In the second phase, we are working towards reaching out to mechanics and establishing relationship with them through the retailers. Towards this, we conducted many mechanic meets during the year.

## BRAND RECALL

Gabriel is a well-established brand and has a good recall in the Aftermarket. We conduct regular activities to create brand visibility across India. We continued to participate in OEM managed sports events such as the Suzuki Gixxer Cup and VW Vento Cup through sponsorships. We strongly believe that students are our potential customer and employee base, hence this year we sponsored college festivals in prestigious institutes. Going ahead, we plan to further strengthen the brand and look for innovative avenues to promote Gabriel.



Gabriel India is one of the key sponsor for Suzuki Gixxer Cup, 2016





# Board of Directors

Our esteemed Board of Directors provide the leadership and guidance necessary to execute our mission and realise our vision.



**Mrs. Anjali Singh**  
*Non- Executive Chairperson*



**Mr. Manoj Kolhatkar**  
*Managing Director*



**Mr. Jagdish Kumar**  
*Non- Executive Director*



**Mr. Atul Khosla**  
*Non-Executive  
Independent Director*



**Mr. Aditya Vij**  
*Non-Executive  
Independent Director*



**Mr. Pradipta Sen**  
*Non-Executive  
Independent Director*

# Corporate Information

## CHAIRMAN EMERITUS

Mr. Deep C. Anand

## BOARD OF DIRECTORS

**Mrs. Anjali Singh**  
Non-Executive Chairperson

**Mr. Manoj Kolhatkar**  
Managing Director

**Mr. Jagdish Kumar**  
Non-Executive Director

**Mr. Pradipta Sen**  
Non-Executive Independent Director

**Mr. Atul Khosla**  
Non-Executive Independent Director

**Mr. Aditya Vij**  
Non-Executive Independent Director

## REGISTERED OFFICE

29<sup>th</sup> Milestone, Pune-Nashik Highway,  
Village Kuruli, Tal. Khed, Pune – 410501  
Maharashtra  
Tel. 02135-610700/610757  
Fax. 02135-610796  
Email: Secretarial@gabriel.co.in

## CORPORATE INDENTITY NUMBER

L34101PN1961PLC015735

## PLANTS

NH8, 38<sup>th</sup> Milestone,  
Behrampura Road,  
Delhi-Jaipur Highway,  
Village-Khandsa,  
Gurgaon -122001, Haryana

5, Industrial Area No.5,  
A.B.Road, Dewas-455001, Madhya Pradesh

52-55, S.No.102/3-106 (PT),  
SIPCOT Phase II, Momapalli Village,  
District Krishnagiri, Hosur-635109, Tamil Nadu

## CHIEF OPERATING OFFICERS

Mr. Amitabh Srivastava  
Mr. Atul Jaggi  
Mr. Sumit Bhatnagar  
Mr. Umesh Shah

## CHIEF FINANCIAL OFFICER

Mr. Rajendran Arunachalam

## CHIEF TECHNOLOGY OFFICER

Mr. Rajendra Abhange

## COMPANY SECRETARY

Mr. Nilesh Jain

## BANKERS

HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Bank of India  
The HSBC, India

## AUDITORS

M/s. B.K.Khare & Co. Chartered Accountants  
707/708, Sharda Chambers, New Marine Lines,  
Mumbai - 400 020, Maharashtra

## PLANTS

Plot No.5, Sector II,  
Parwanoo - 173220, Himachal Pradesh

C-5, Tata Motors Vendor Park,  
P.O. Vironchannagar, Taluka Sanand,  
Dist. Ahmedabad – 382 170, Gujarat

B2, MIDC, Ambad Industrial Area,  
Nashik - 422010, Maharashtra

29<sup>th</sup> Milestone, Pune-Nashik Highway,  
Village Kuruli, Tal. Khed, Pune – 410501  
Maharashtra



# MANAGEMENT DISCUSSION & ANALYSIS

# Volkswagen Motorsport India



# Management Discussion & Analysis

Favoured with various advantages such as access to a globally competitive automobile industry; supply of locally produced raw materials at low costs; availability of highly skilled manpower at competitive wages, and a mature ecosystem of testing and R&D centres, India's automobile industry provides immense investment and employment opportunities.

## ECONOMIC OVERVIEW

India, the seventh largest economy in the world, in terms of nominal GDP, recorded a five-year high growth rate of 7.6% in FY2016. Despite all the headwinds, domestic and external, the Indian economy remains in a sweet spot in comparison to previous years, making it one of the world's fastest growing economies. According to the Central Statistics Office (CSO), the robust growth was primarily driven by growth in services (9.2% in FY2016) and industry (7.3% in FY2016). With the current growth trajectory, India is now growing at a faster rate than China.

The Government has also taken several steps to improve the country's economic environment, including simplifying approval procedures, reforming the tax regime and addressing the issue of subsidy leakage. Foreign investment inflow into the country increased by 39% in 2015. India climbed 12 notches on the World Bank's 'Ease of Doing Business Index'. An integrated set of initiatives, including Make In India, Start-Up India and Skill India, are also expected to help significantly in job creation and growth.

## INDUSTRY OVERVIEW - AUTOMOBILES

According to the Confederation of Indian Industry (CII), the Indian automobile industry is one of the largest in the world, having grown by 2.6% over the previous year. It is one of the key drivers of economic growth, contributing 7.1% to India's Gross Domestic Product (GDP). Since de-licensing of the sector in 1991 and subsequent opening up of 100% FDI through the automatic route, the sector has come a long way. Today, almost every global auto major has set up facilities in India to cater to the growing middle class and young population.

The industry has a promising future in India. Apart from meeting growing domestic demand, it is also gradually penetrating international markets. Favoured with various advantages such as access to a globally competitive automobile industry; supply of locally produced raw materials at low costs; availability of highly skilled manpower at competitive wages, and a mature ecosystem of testing and R&D centres, India's automobile industry provides immense investment and employment opportunities.

## Industry Size

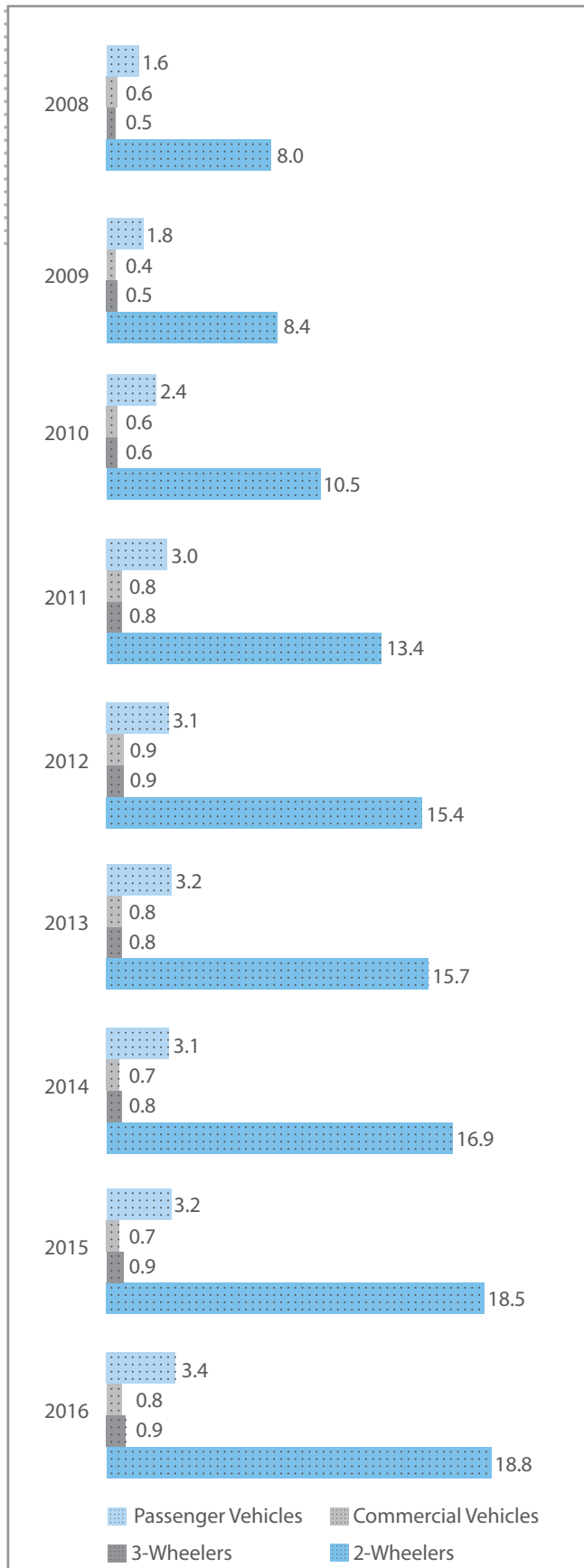
The automobile industry produced a total 23.96 million vehicles during FY 2016, including Passenger Vehicles, Commercial Vehicles, 2-Wheelers and 3-Wheelers, as against 23.36 million in FY 2015. Domestic sales of Passenger Vehicles grew by 5.97% in FY 2016 over the same period last year. Within Passenger Vehicles, Passenger Cars grew by 4.02% during FY 2016, over FY 2015. The growing interest of companies in exploring rural demand further aided growth of the sector.

## Production, Sales and Exports

As per the industry data published by the Society of Indian Automobile Manufacturers Association (SIAM) for FY2016, domestic sales stood at 20.46 million units, an increase of 3.78% as against 19.72 million units sold in FY2015. Export for the year showed a marginal rise of 1.91% at 3.64 million units.



PRODUCTION OF AUTOMOBILES IN INDIA (IN MILLION UNITS)



Source: SIAM, TechSci Research



**Key Growth Drivers**  
*Emerging Middle Class*

As economic prosperity spreads across demographics, mobility is no longer considered to be a luxury, but a necessity by Indians. By 2021, India's emerging and middle-class segments will comprise nearly 900 million people and the auto industry in India is expected to greatly benefit from this growth as a majority of India's middle class aspires to own a car. A middle class consumption lead growth is also likely to impact the overall economy positively, driving up the demand for 3-Wheelers and Commercial Vehicles.

*Burgeoning Infrastructure Development*

India has made consistent and steady progress in building new roads, highways, expressways and support infrastructure such as airports, ports, railways and power plants. The expansion and modernisation of our core infrastructure are also major drivers of growth for the automobile industry.

*Rural Market*

The automobile industry is yet to fully tap into the demand from rural areas. A gradual but steady growth in demand for Passenger Vehicles is being witnessed in rural areas. The Indian automobile industry seeks to double its total sales on the back of this steady rural lead growth over the next decade. It is also expected to grow off the relatively untapped segments like the demand from youth, women and for luxury cars.

*World standing of Indian Automobile Sector:*

- Largest 3-Wheeler market
- Second largest 2-Wheeler market
- Tenth largest Passenger Cars market
- Fourth largest Tractor market
- Fifth largest Commercial Vehicle market
- Fifth largest Bus and Truck segment

## Management Discussion & Analysis

### The Export Advantage

India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile exports have grown by CAGR of 14.65% during the five year period 2010-15. Passenger Vehicles, Commercial Vehicles, 2-Wheelers and 3-Wheelers individually grew by 6.9%, 13.7%, 18.7% and 16.6% CAGR respectively during the same period. 2-Wheelers accounted for the largest share of exports at 69.4%. Passenger Vehicles comprised a sizeable 16.7% of the overall exports. 3-Wheeler vehicles registered around 11.1% share in exports.

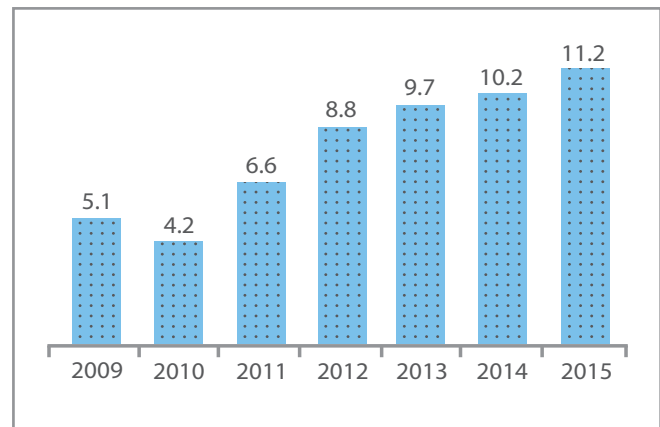
### INDUSTRY OVERVIEW – AUTO COMPONENTS

According to a report by Society of Indian Automobile Manufacturers (SIAM), the Indian auto sector has the potential to generate up to USD 300 billion in annual revenues by 2026, creating 65 million additional jobs and contributing over 12% to India's GDP. The Indian auto components segment currently stands at USD 40 billion, with exports of USD 11.2 billion.

According to Automotive Component Manufacturers Association of India (ACMA), the Indian Auto component industry is expected to register a turnover of USD 100 billion by 2020, backed by strong exports. It is set to become the third-largest in the world by 2025. Indian auto component makers are well positioned to benefit from the globalisation of the sector as export potential is expected to be increased by up to four times to USD 40 billion by 2020.

A strong growth in the automobile market has propelled growth in the auto components industry, which now accounts for almost 1.8% of India's GDP. The industry employs as many as 19 million people, both directly and indirectly, i.e., around 4.2% of India's total employed workforce, and this is expected to rise to 25 million by 2025. The industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments, while the unorganised sector comprises low-valued products and caters mostly to the Aftermarket category.

Value of Auto Components Exports (In USD billion)



Mr. Manoj Kolhatkar, Managing Director, Gabriel India ; Mr. Deepak Chopra, Group CEO, ANAND, Mr. Deep C. Anand, Founder & Chief Mentor, ANAND Group; Mr. James Kamsickas, CEO, Dana Corporation; Mr. V. Madhavan, President Group Business Development, ANAND and Mr. Saket Sapra, Managing Director, Dana India.(L-R)

Management Discussion & Analysis

**Industry Outlook – Auto Components**

The Indian market is evolving as the next big opportunity and component manufacturers from across the world see it as a natural extension of their business domain. With high skill levels in a competitive environment, India is expected to steadily grow in the vehicles segment in the coming years.

After the slowdown of the past two-three years, overall auto sales in FY2016 grew 2.58%, compared with 8.68% in fiscals 2014 and 2015. Declining inflation, growth in urban disposable income and lower borrowing costs are likely to boost car and motorbike sales. Besides, as industry recovers, the demand for freight will also increase, pushing up Commercial Vehicles, 3-Wheelers and truck sales too. Measures to boost the rural economy announced in Union Budget 2016-17 are expected to shore up rural incomes and consumption in the next couple of years. The Seventh Pay Commission awards and lower borrowing costs should also increase disposable income of consumers. A normal monsoon for 2016 could be an added boost. The positive spillover effect of these will be seen in 2-Wheeler and 3-Wheeler sales. Besides, light Commercial Vehicles sales are also beginning to look up in the last two-three months. The auto components industry will experience a turnaround from 2-Wheeler and small truck sales.

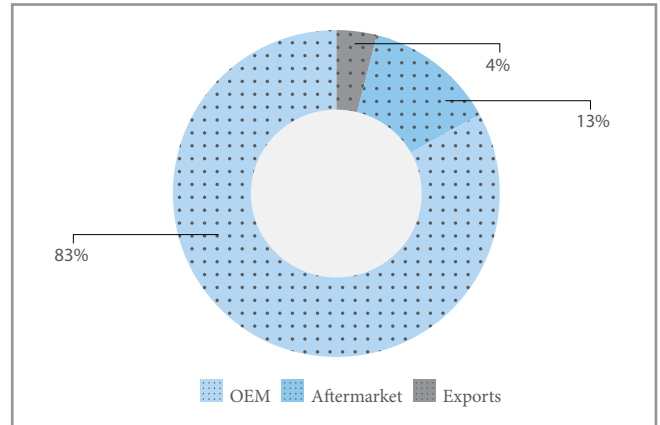
**COMPANY OVERVIEW**

The history of Gabriel dates back to 1961, when Mr. Deep C. Anand (Founder of the ANAND Group of companies) launched his very first business venture - Gabriel India in collaboration with Maremont Corporation for manufacturing of shock absorbers. Today, under decades of efficient management, we are the pioneer and leading manufacturer for Ride Control products in India with a substantial share in the Commercial Vehicles, Passenger Vehicles and 2 and 3-Wheeler segments. Our portfolio includes the widest range of Ride Control products in the business, comprising of shock absorbers, struts and front forks for every automotive segment. Since our inception, we have been one of the leaders in manufacturing Ride Control products in India. Today, our brand “Gabriel” is synonymous with shock absorbers and struts.

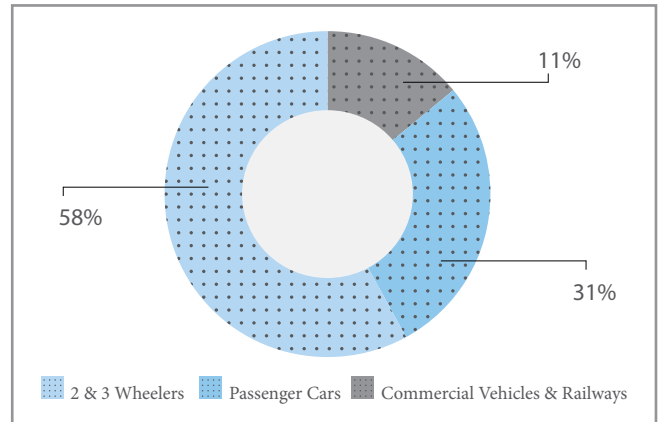
We have also been a trusted supplier to the Indian railways, addressing the need for Ride Control solutions for over three decades.

We offer varied products across segments and cater to any customised requirements. Our Ride Control products for various segments are marketed across ASEAN, Iran, USA, Latin America, North America, South Africa, Europe, Australia and Asia Pacific.

Channel-wise Break-up



Segment-wise Break-up



*We are the pioneer and leading manufacturer for Ride Control products in India with a substantial share in the Commercial Vehicles, Passenger Vehicles and 2 and 3-Wheeler segments. Today, our brand “Gabriel” is synonymous with shock absorbers and struts.*



*Management Discussion & Analysis***OUR MANUFACTURING CAPABILITIES**

Starting with a single plant in Mulund (Mumbai) in 1961, Gabriel India today has seven manufacturing facilities, two satellite plants and three R&D Centres across the country. Gabriel has always been committed to its customer needs, which has led the company to invest in capacity expansion and infrastructure whenever a particular project required it. Today, Gabriel produces one shock absorber every second. We are constantly adding to and broadening our product line and industry coverage, while continuously looking to improve on our high standards in quality, testing and validation. The company offers a complete basket of Ride Control products to every major vehicle manufacturer in the country across segments.

Our manufacturing facilities are spread across the country located at Chakan, Nashik, Hosur, Dewas, Khandsa, Parwanoo, Sanand and two satellite plants at Malur & Aurangabad. With a combined capacity, these facilities cater to the requirements of all segments of the market.

Three best-in-class R&D Centres located at Chakan, Hosur and Nashik form the fulcrum of all our new product development with facilities for fundamental design and development, future

technology assimilation, product validation apart from ride and handling facilities. All our R&D centres are approved by the Govt. of India's Department of Scientific Industrial Research (DSIR). We have filed 21 patents in products and processes.

**PRESENCE ACROSS THE VALUE CHAIN**

Our presence across each segment of the auto industry is a key advantage. We also have a strong network spanning across all channels of automotive sales, including OEMs, Aftermarket and Exports.

**OEM Business:** Gabriel is known as the leading automotive OEM supplier for Ride Control products in India. Our OEM business witnessed de-growth of 2% and represents 83% of our total top line for the period under review.

With a well-diversified OEM customer base in 2-Wheelers, 3-Wheelers, Passenger Cars and Commercial Vehicles, Gabriel participates in all parts of the total addressable market. Over decades of steady and consistent progress, we have painstakingly evolved the advantage of owning and servicing a balanced, portfolio of OEM customers.



*Management Discussion & Analysis**Our Clientele*

Segments	Products Offered	Major OEM Customers
Motorcycles & Scooters	Front forks Gas & hydraulic shock absorbers	Bajaj Auto Honda Motorcycle And Scooter Mahindra Two Wheelers Royal Enfield Suzuki Motorcycle TVS Motor Company India Yamaha Motor
3-Wheelers	Shock absorbers	Bajaj Auto Mahindra Piaggio Vehicles TVS Motor Company
Passenger Cars & SUV	McPherson struts Shock absorbers Cartridges	General Motors Honda Cars Mahindra Maruti Suzuki Tata Motors Toyota Kirloskar Motor Volkswagen
Commercial Vehicles	Shock absorbers Cabin dampers Seat dampers	Ashok Leyland Bharat Benz Force Motors Mahindra Truck and Bus Division MAN Trucks SML ISUZU Tata Motors Volvo Eicher Commercial Vehicles AMW Motors Wheels India
Railways	Shock absorbers	Indian Railways

*Today, Gabriel produces one shock absorber every second. We are constantly adding to and broadening our product line and industry coverage while continuously looking to improve on our high standards in quality, testing and validation.*

*Management Discussion & Analysis*

**Aftermarket Business:** Gabriel continues to be one of India's most trusted Aftermarket brands for Ride Control products in the automotive industry. Today, as per our FY2016 results, we derive significant amount of revenue from the demand in Aftermarket segment. Considering the fact that the "After-sales" market is fast growing and a strong driver for higher margins, our YOY growth of 17% within this Business Unit is a strong contributor to our improving EBITDA. The company has been highly successful in its Aftermarket Exports and has established a strong presence in the replacement markets for the 2 and 3-Wheeler segment in South Asia, South Africa & Latin America.

To leverage our already established "Gabriel" brand and our extensive after-sales channels further, we have introduced new products such as motorcycle wheel rim, 2 and 3-Wheeler tyres, and also other automotive products such as radiator coolants, oil seals, gas springs, suspension bush kits and front fork oils as complementary products to our existing portfolio. These portfolio extensions are being well received by the marketplace and are adding further solidly to our revenue and profitability.

**Exports Business:** Gabriel exports Ride Control products to developed markets in North America, Europe, Australia and the Asia-Pacific region. Our exports business grew by 6.2% and contributed 4% to our topline in FY2016. The Company's focused approach on exports has opened multiple global opportunities including few breakthroughs in high potential markets. Through structured market research, systematic approach and a dedicated marketing team, we have made a start in the right direction. During FY2016, we recorded exports of Rs 586 million, as compared to Rs 552 million in FY2015, and we foresee promising exports in FY2017 onwards. We won an export order from Mahindra GenZe USA for e-Scooter and another from ISUZU for Thailand and Indonesia. We are focusing to develop the replacement market in South East Asian countries.

**BUSINESS UNIT-WISE PERFORMANCE****a) 2-Wheelers & 3-Wheelers**

With the industry facing challenging times in view of tepid rural demand, slowing exports and currency depreciation, we concentrated on improving and sustaining our EBITDA and profitability. We focused on improving efficiencies and productivity at our plants by improving quality and reducing rejection levels. We paid attention to potential projects that yield higher margins and reduced our raw material costs. We also took several new initiatives in innovation and technology to enhance energy efficiency. On the R&D front, we built our own Test Track at the Hosur plant, an in-house facility for customers for tuning the ride of vehicles and shortening the lead time for testing.

Having supplied to Peugeot for exports markets, we are now tapping other customers for similar opportunity. We continue to service the 2-Wheeler market in Indonesia through TVS Motors. We signed a technical license agreement with Gabriel De Colombia as the technology provider to serve Indian OEMs in Latin America. We also have a small but growing presence in the eco-friendly 2-Wheeler market in United States as we serve the Indian automaker Mahindra for its e-Scooter from GenZe in the USA. We have also won an Letter of Intent from Hero Cycles for supply of performance shock absorber, thereby entering into bicycles shock absorber segment.

**b) Passenger Cars**

We are the second-biggest player in passenger vehicle suspension market in India. The Passenger Cars Business Unit contributes 31% to Gabriel India's total revenue. The Business Unit registered a double digit growth and a significant improvement in the operating margins. We are key suppliers to recent industry launches such as Mahindra's KUV100 and Maruti Suzuki's Vitara Brezza and S-Cross. Three of our plants are dedicated to manufacturing components for Passenger Cars. The plants at Chakan and Khandsa cater to OEM customers, while the Parwanoo plant caters primarily to the Aftermarket Business Unit. During the year, the Parwanoo plant received ANAND Group's Excellence Award for "Best Anand Heijunka Production System Implementation".

We are putting efforts to continuously increase our market share in the domestic market. Our business pipe line has been strengthened with recent vehicle launches and customer acquisitions last year. One plant is now approved by a global car manufacturing company to enable exports from India. We also began exports to Volkswagen Russia from our Chakan factory. Going forward, exports will continue to be a key area of business development focus and the Company has identified target geographies for new launches.

**c) Commercial Vehicles & Railways**

We are the largest suppliers to all OEMs in the Commercial Vehicles segment across Light Commercial Vehicles (LCV), Medium Commercial Vehicles (MCV) and Heavy Commercial Vehicles (HCV). The Business Unit contributes about 11% to Gabriel India's total revenues. We are major suppliers to Tata Motors, Ashok

*We are key suppliers to recent industry launches such as Mahindra's KUV100 and Maruti Suzuki's Vitara Brezza and S-Cross. Three of our plants are dedicated to manufacturing components for Passenger Cars.*

*Management Discussion & Analysis*

Leyland, VECV, Mahindra Trucks & Buses, MAN Trucks and DAIMLER. We have increased market share in the LCV segment and have made good progress in small trucks such as TATA Ace and Mahindra Jeeto.

Our key area of focus has been to strengthen locally and aspire globally. During the year, we aimed at increasing market share in LCVs and gaining visibility in India and key geographies across the globe. We have a technology license agreement with KONI B. V., The Netherlands to manufacture and sell innovative damper products for OEMs in India, Bangladesh, Sri Lanka, Nepal and Bhutan. Our export order with ISUZU Global is facilitating us to strengthen our presence in the ASEAN region. We are also exploring other key markets of North America and Europe. Exports are a clear growth driver as we continue to explore global markets in this segment.

We are a trusted partner of the Indian Railways, supplying them with Shock Absorbers. We have emerged as the first Indian auto components company to be qualified as LHB (Linke-Hofmann-Busch) shock absorber supplier for Indian Railways. Thus in addition to conventional trains, we will now cater to high-speed trains as well.

#### **d) Aftermarket**

Gabriel has achieved a leadership position in the Aftermarket Business Unit. Sales in the Aftermarket Business Unit touched Rs. 2,008 million in FY2016, as compared to Rs 1,712 million in FY2015, registering 21% CAGR during FY2015. We leverage our vast distribution network comprising 375 Channel Partners across India, supporting about 6,000 retail outlets, coordinated and serviced by a highly trained sales force.

#### **TECHNOLOGY**

The Company has continued focus on customer-centric R&D which yields substantial benefits. It continues to invest in futuristic technology and R&D activities to enable robust designs, customer satisfaction and faster launch of new products. The state-of-the-art R&D and testing centres have strengthened our ability to co-develop (with OEM customers) products which are cost-effective and suitable for Indian road conditions. We have world-class centres which encompasses product and process design as well as prototyping and evaluation. The Centre will help us improve our speed, agility and quality of product development, thus increasing customer satisfaction.





Mrs. Anjali Singh & Mr. Jaisal Singh along with Dr. Pawan Goenka, Mr. Hemant Sikka, Mr. Rajan Wadhwa, Mr. Lalit Verma, Mr. Sridhar and senior management from Mahindra and ANAND Group at the ANAND Stall during Auto Expo 2016, New Delhi, India

The Company has developed cutting-edge manufacturing technology indigenously. This is mainly due to its focus on developing new technologies in manufacturing compatible to its product requirements. The process and product designers work hand in hand to innovate manufacturing technology of world class standard that helps all its manufacturing locations to produce high quality products.

The company continues to have of technical assistance through its association with KYB Corporation, Japan for Passenger Cars; KYBSE, Spain for Passenger Cars and Commercial Vehicles; Yamaha Motor Hydraulic Systems, Japan for 2-3 Wheelers. The company also recently collaborated with KONI B.V., The Netherlands, for Commercial Vehicles and buses. KONI is part of ITT Corporation, USA with more than 150 years of experience in the area of shock absorber solutions.

As a significant technology milestone, Gabriel has signed a Technology Assistance Agreement (TAA) with Gabriel De Colombia (GDC) wherein Gabriel India will provide product & process technology to GDC in the field of 2-Wheeler suspension systems. Further, Gabriel India has also started its association with Gabriel South Africa to provide and upgrade manufacturing technology.

## INTERNAL CONTROLS & SYSTEMS

The Company has well-established internal control systems, which are continuously evaluated by professional internal and statutory auditors of repute. The company continues to improve the present internal control systems by implementation of appropriate policies and processes. The Company is focused on incorporating the controls and checks in ERP system of SAP. An increased emphasis has been laid on Internal Control Systems and Vigilance Systems to ensure efficacy and monitoring of the Company's operations, compliance with applicable legislation, safeguarding of assets, adherence to management policies and promotion of ethical conduct. A dedicated Legal Compliance Cell ensures that the Company conducts its business with high standards of legal,

statutory and regulatory compliances, conforming with the best standards. The Audit Committee reviews the internal control systems and procedures periodically. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations.

## HUMAN RESOURCES

Gabriel is recognised for boldly leading change in thought and action. Gabriel offers a unique and great work culture and a spectrum of opportunities for employees to explore and grow. Our employee value proposition is based on a strong focus on employee development, exciting work culture, competitive compensation and the pursuit of excellence. A motivated and empowered workforce gives us flexibility in adapting to future needs of our business.

## Great Place to Work

Gabriel India Limited has been ranked among "Great Place to Work®" in the auto components industry for year 2012, 2015 and 2016. We strengthened our reputation for the ability to transform our employees into business leaders. We recruit a young and dynamic team and nurture and groom them into visionary future leaders through highly effective and comprehensive programmes of training, coaching, mentoring and learning. Our leadership development and mentorship programmes are aimed at grooming future leaders by giving them a holistic perspective. Our employees are exposed to training techniques in Lean, Kaizen and Six Sigma which ensures their technical and management capabilities are strengthened. Various mentor and leadership programmes enable us in enhancing our human capital. The Company also develops out a growth plan for its employees - in production, maintenance, quality, supply chain, IT, human resource, administration and finance. It is these initiatives that go towards making us a "Great Place to Work®".

*Management Discussion & Analysis*

*Our state-of-the-art R&D and testing Centres have strengthened our ability to co-develop (with OEM customers) products which are cost-effective and suitable for Indian road conditions.*

### Pioneer of HR Processes

- Pioneered “Operating Engineer” model for harnessing knowledge workers and building a talent pipeline for first line of management.
- Put in practice “Grow from Within”, which is an integral part of our philosophy across levels within Gabriel.
- Redefined norms by hiring women on the shop floor by providing them several key benefits aimed at women empowerment.
- It appointed a diverse and multi-cultural workforce across all the plants.

### ANAND U

ANAND U, the corporate university of the ANAND Group, covers the diverse needs of companies within the ANAND fold. It focuses on four major areas of people development – operational excellence,

talent development, technical intervention and development of a large force of operating engineers within the Group. In addition to this, employees also attend external education programmes to learn to deal with the dynamics of constantly evolving business challenges in an ever-changing global environment. The employees also attend manufacturing excellence programmes for developing their skills. Gabriel is one of the main beneficiaries of all these programmes and most of its employees are exposed to atleast one of the programmes.

### The OE Model

Gabriel has set up an industry benchmark for shop floor practices with a non-unionised workforce. This is a unique industry recognised “Operating Engineer” (OE) development model aimed at harnessing knowledge workers in a manufacturing environment. The OEs undergo training and induction in the areas of production, quality and environment. The induction training structure of the model inculcates knowledge in: shop floor discipline, rules and regulations; basics of hydraulics, pneumatics and autonomous maintenance; and on industrial safety, knowledge of basic systems, etiquette and personality development.

### People-Practices Focus

Our people-practices focus is on personal and professional development to align individual goals with organisational objectives. Our people philosophy and innovative people practices have earned us an efficient and dedicated workforce. We undertake special HR initiatives to develop a leadership pipeline and to ensure a productive and efficient workforce. Through this, our objective is to achieve manufacturing excellence and provide structured nurturing of people identified as Key Talent. Nearly 70% of the Company’s employee base comprises engineers (including diploma holders). The ‘Gabriel First’ approach entails an internal job posting system wherein existing employees can apply for internal vacancies.



*Management Discussion & Analysis*

*Our people philosophy and innovative people practices have earned us an efficient and dedicated workforce. We undertake special HR initiatives to develop a leadership pipeline and to ensure a productive and efficient workforce.*

**Creating a Safe Work Environment**

At Gabriel, ethics and creating a conducive work environment is taken very seriously. A Committee oversees educating employees towards the sensitivities of work place etiquettes. All the plants and offices work closely with NGOs and conduct regular workshops to create awareness about sexual harassment.

**FINANCIAL OVERVIEW**

The Company has recorded revenue of Rs 14,382 million, as compared to Rs 14,441 million in the previous fiscal year of FY2015, registering a CAGR of 12.7% (FY2016) which is higher than the Auto Industry average. Profit After Tax was Rs 752 million as compared with Rs 600 million in the previous year. This grew by 21% CAGR during the period. EBITDA was Rs 1,276 million, as against Rs 1,168 million. EBITDA margin too has been rising constantly from 6.9% in FY2013 to 8.9% in FY2016.

The ROCE has improved to 26.8% in FY2016 from 25.7% in FY2015. Earnings Per Share increased to Rs 5.24 from Rs 4.18 in the previous year. We have been providing continuous dividend since 1998, with an improving dividend pay-out ratio over the years. Pay-out has increased from 16% in FY2011 to 23% in FY2016. Dividend per share has been rising over the years – from Rs. 0.50 in FY2011 to Rs 1.20 in FY2016.



Mr. Manoj Kolhatkar, Managing Director, Gabriel India and Mr. Rajendra Abhange, CTO, Gabriel India interacting with Late Dr. A. P. J. Abdul Kalam during second Innovation Concourse held at Gabriel, Chakan Plant

*Management Discussion & Analysis*

Mr. Sumit Bhatnagar, COO, Passenger Cars Business Unit, Gabriel India in discussion with Mr. Alok Saxena, ex VP, Purchasing, TATA Motors along with Mr. Manoj Kolhatkar, MD, Gabriel India during Auto Expo 2016

## Our Strategic Priority Areas

Improvement in Sales	Efficiency Improvement	Technology & Innovation
- Growth in exports	- Debt Reduction	- Improvement in quality
- Growth in Aftermarket SBU	- Break Even Point (BEP) Reduction	- R & D Focus
- Inorganic Growth	- Simplification of Parts	- Sustainable Manufacturing
- Global Manufacturing Footprint	- Automation	- Innovation Culture
- Customer Focus		

## CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Gabriel India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place

undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Gabriel India Limited's Annual Report, FY2016.





# DIRECTORS' REPORT



## Directors' Report

# Directors' Report

To,  
The Members,

Your Directors take pleasure in presenting the 54th Annual Report on the business and operations of the Company, together with the Audited Financial Statement for the year ended March 31, 2016.

Your Company reported similar Net Sales as compared to the last year. This was primarily due to limited growth in the 2-Wheeler segment of the automobile industry. However, the company has improved its Net Profit substantially during the year. This performance is the result of continuous focus on cost reduction, working capital management, customer orientation and leverage of core competence.

## FINANCIAL RESULTS

Particulars	(Rs in million)	
	Year ended 31.03.2016	Year ended 31.03.2015
<b>Net Sales</b>	<b>14,264.18</b>	14,298.40
Earnings before interest, tax and Depreciation & amortization (EBITDA)	<b>1,275.52</b>	1,167.72
Finance cost	<b>24.83</b>	54.80
Depreciation	<b>331.86</b>	311.32
<b>Profit Before Tax (PBT)</b>	<b>954.93</b>	835.48
Provision for taxation		
- Current	<b>203.13</b>	217.34
- Deferred Tax	<b>(0.58)</b>	17.90
<b>Profit After Tax (PAT)</b>	<b>752.38</b>	600.24
Profit Account balance at the beginning of the year	<b>2,451.37</b>	2,032.44
Profit available for appropriations	<b>3,203.75</b>	2,632.68
Appropriations:		
Dividend on Equity Shares	<b>172.37</b>	150.84
Tax on dividend	<b>35.09</b>	30.47
Transferred to General Reserves	-	-
Profit Account balance at the end of the year	<b>2,996.29</b>	2,451.37

## PERFORMANCE HIGHLIGHTS

The Company recorded total sales of Rs 14,264.18 million compared to Rs 14,298.40 million in FY15. The Company reported 9.2% growth in EBITDA, largely on account of volume growth in the Aftermarket, Passenger Cars & Commercial Vehicles Business Units and control of expenses, primarily raw material costs. The Company improved its EBITDA to 8.9% from 8.1% in FY15. The result was a Profit After Tax of Rs 752.38 million, compared to Rs 600.24 million in FY15, representing a 25% growth. The Earnings per Share increased to Rs 5.24 per share in 2015-16 from Rs 4.18 per share in FY15.

### 2 and 3-Wheelers

The Company's 2 and 3-Wheeler segment accounted for 58% of total revenues compared to 63% in FY15. Customers such as TVS Motors, Honda Motorcycles & Scooters (HMSI) and India Yamaha Motor accounted for a larger share of our business in FY16.

During the year, the Company focused on improving efficiency and productivity at its 2-Wheeler and 3-Wheeler plants by improving quality, reducing internal rejection rates and attaining energy efficiency.

The Company took initiatives to enhance its competitiveness for acquisition of new businesses, while also improving profitability. The Company upgraded the Sanand facility to service HMSI for their fourth factory in Vithalapur, Gujarat thereby further

*Directors' Report*

# Directors' Report (Contd.)

strengthening its association. A 2-Wheeler test track facility was unveiled at Hosur near Bengaluru which enhances real time data capturing, analysis, tuning and benchmarking, which together will help in speeding up the development process. A Technology Day was conducted by the Company at Royal Enfield and Piaggio respectively to showcase its current and future technologies. In the term under review, the Company continued strengthening its association with major customers by working on new models of TVS Motors, Royal Enfield, Suzuki Motorcycles, India Yamaha Motors, Bajaj, Mahindra, Piaggio and UM Motors.

The Company won the 'Overall Cost Reduction' award from Suzuki Motorcycles and the 'Quality Circle' award from HMSI. It was also awarded 'Silver Quality' award from Bajaj Auto. In addition to this, it won the ACMA awards on Green Technology, Quality and Kaizen competitions.

## Passenger Cars

The Company's Passenger Cars Business Unit accounted for 31% of total revenues compared to 28% in FY15. The Company addressed the needs of key customers such as Maruti Suzuki, Mahindra's, Volkswagen and Toyota Kirloskar. The Company is a key supplier to recent vehicle launches in the automotive industry such as Mahindra's KUV100 and Maruti Suzuki's Vitara Brezza and S-Cross.

In the period under review, the Khandsa and Chakan plants won 'HR Excellence Award' from ACMA and CII, respectively. All the three plants of the Passenger Cars Business Unit i.e. Chakan, Khandsa and Parwanoo aggressively followed the culture of using Quality Circles for addressing their key issues. A young team from Parwanoo became the first in the Gabriel and ANAND Group of Companies to represent and win a Silver medal in "International Convention on Quality Circle competition" held in South Korea last year. The Khandsa plant created a milestone for being ranked 'one' with Honda Cars consecutively for 33 months both in quality and delivery. Gabriel, Khandsa Plant also reduced its zero km defects PPM with Maruti Suzuki to less than 1 PPM in the previous year. The plants continuously worked on improving the manufacturing processes to achieve excellence in product quality. The Parwanoo plant changed its layout substantially with the aim of improving material flow and reduce cost. The Chakan plant is continuously working towards using renewable energy. Their efforts are recognized by both, customers and the industry.

## Commercial Vehicles and Railways

The Commercial Vehicles and Railways Business Unit accounted for 11% of the Company's total revenues, compared to 9% during FY15. During the period under review, the Company worked towards increasing its market share. The Business Unit serves specific requirements of suspension products for Commercial Vehicles and railways.

In late 2014, the Company signed a technology license agreement with KONI B.V., The Netherlands, to address the requirement of high-damping force products and now offers the same to Indian customers. To expand its product portfolio, it is tapping the Intermediate Commercial Vehicle (ICV) segment and Cabin Shock Absorbers, which are projected to be launched in 2017. The Company is also expected to make a breakthrough with a European OEM Customer for the supply of shock absorbers. Gabriel Dewas Plant is the recipient of FICCI's 'Manufacturing Excellence Award' in 2015.

Indian Railways continues to undergo a transformative change in technology leading to safer and more comfortable coaches. The Company has emerged as the first Indian Auto Components player to bag an order to manufacture Linke-Hofmann-Busch (LHB) Dampers for Indian Railways. LHB Dampers are for the new passenger coach designs of Indian Railways, which are safer and capable of handling higher speeds of up to 200 kmph and are penetrating across all leading railway routes.

## Exports

Over the years, the Company has been working towards improving its competitiveness for Exports.

The Company is focused on Exports to not only reduce its dependence on the Indian market, but to also establish itself as a global player.

In the 2-Wheeler segment, the Company is tapping key markets of Europe. It signed a technical license agreement with Gabriel De Colombia as the technology provider in Latin America. This will continue to earn exports revenue and also royalty. The Company also has a small presence in the eco-friendly 2-Wheeler market in United States through e-scooter from Mahindra GenZe. Gabriel also supplies 2-Wheeler parts to TVS Motors in Indonesia.

*Directors' Report*

# Directors' Report (Contd.)

A key achievement has been the acquisition of business from ISUZU Global for Commercial vehicles in Thailand and Indonesia. As ISUZU is a leading player in the ASEAN countries, this order provides a notable step towards strengthening our presence in this region. The Company is also exploring export business opportunities in North America and Europe.

The Company continues to identify key geographies for exports in the Passenger Cars segment. While in the Aftermarket segment, the company is present across all the major market.

The Company's exports increased from Rs 552 million in FY2015 to Rs 586 million in FY2016, recording a growth of 6.2% year-on-year. Exports as a proportion of total sales was 4% in FY2016 as compared to 2.8% in FY2014.

## Aftermarket

The Aftermarket Business Unit (domestic and export) reported 17% growth during the year, compared to the previous year. Revenues from the Aftermarket Business Unit (domestic and export), as proportion of sales, increased from 12% in FY2015 to 14% in FY2016. Growth in this Business Unit has been derived mainly from new product development strategy, launch of new product lines to leverage brand Gabriel and strategy to reach out to product users, retailers and mechanics.

The Company continued to strengthen its brand and retailer connect through the Elite Retailer Programme, which is a loyalty programme to enhance visibility and engage more customers. This is a unique initiative to strengthen brand Gabriel and connect with retailers. In the first phase, the Elite Retailer Programme was conducted across 500 retailers in FY2016. In the second phase, the Company is working towards reaching out to mechanics and establishing relationships with them through retailers.

The Aftermarket export division has appointed 15 dealers in new geographies in the last couple of years. It plans to further add 2-3 new geographies every year to give a stimulus to its export business. Allied products sales has been strengthened in the Aftermarket and two new products, Motor Cycle Wheel Rim and 2 & 3-Wheeler tyres, were added in the last two years. These new product lines have become important contributors to our Net Sales, in addition to core products, shock absorbers and struts. The Company has developed and launched its first Adjustable Electronic-Hydraulic shock absorber in the Aftermarket for a popular SUV model in India.

## BUSINESS OUTLOOK

The prospects of the Company appear reasonably optimistic for a number of reasons.

The forecast for FY2017 is expected to be better. A positive outlook on the monsoon this year and implementation of Seventh Pay Commission may lead to a spurt in demand and sales. With the Government's 'Make in India' initiative likely to strengthen the case for manufacturing and with a moderate rise expected in GDP growth, the Indian Automobile and Auto Components sector appears poised for a reasonable growth. The Company's performance in the Aftermarket and Exports is expected to do better due to an improved thrust and focus.

## OPERATIONS

The Company is pleased to report that operating efficiency across all its manufacturing plants enhanced during the year and led to improved profitability. Higher operating efficiency was a result of process improvements, constant benchmarking with available best practices, leveraging technology collaborations, employee training and a conducive working environment at all its plant locations.

## DIVIDEND

Your Directors declared an interim dividend of Re 0.45 per equity share of Re 1 each (previous year Re 0.45 per equity share of Re 1 each). The interim dividend pay-out amounted to Rs 64.64 million (previous year Rs 64.64 million). This was distributed to shareholders, whose names appeared in the Register of Members as on November 17, 2015. Your Directors further recommended for the approval of shareholders a final dividend of Re 0.75 per equity share of Re 1 each (previous year Re 0.60 per equity share of Re 1 each).

The proposed dividend will amount Rs 107.73 million (previous year Rs 86.20 million). The dividend, subject to its declaration, will be distributed to shareholders whose names appear in the Register of Members as on July 22, 2016.

During the year under review, the unclaimed dividend pertaining to the financial year 2007-08 was transferred to the Investor Education and Protection Fund following a due notice to members.

## Directors' Report

# Directors' Report (Contd.)

## SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2016 was Rs 143.6 million. During the year under review, the Company did not issue any shares and did not grant stock options or sweat equity shares to employees. The details of the shareholding of the Directors are as mentioned below as on March 31, 2016:

Sr. No.	Name of Director	Shareholding	% of Holding
1	Mrs. Anjali Singh	641,942 shares	0.45%
2	Mr. Manoj Kolhatkar	4,000 shares	0.003%

## DEPOSITS

In compliance with the provisions of Section 73 and 74 of the Companies Act, 2013 and the Acceptance of Deposits Rules, 2014, the Company re-launched the Public Deposit Scheme from January 9, 2015. The details of the deposits accepted during the year are as given below:

Sr. No.	Details	Amount (Rs in million)/Remark
i	Public deposits accepted during the year	27.65
ii	Deposits that remained unpaid or unclaimed as at the end of the year	5.98
iii	Whether there has been any default in repayment of deposits or payment of interest thereon:	
	a at the beginning of the year	Nil
	b maximum during the year	Nil
	c at the end of the year	Nil
iv	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

However, the Company has discontinued the said scheme with effect from November 9, 2015. Accordingly, no further deposits shall be accepted by the Company under the said scheme. The deposits already accepted under the said scheme up to November 7, 2015 shall be served till their applicable tenure.

## MEETINGS OF THE BOARD

The Board of the Company comprised six Directors as on March 31, 2016. The Board comprised Mrs. Anjali Singh, Mr. Manoj Kolhatkar, Mr. Pradipta Sen, Mr. Atul Khosla, Mr. Aditya Vij and Mr. Jagdish Kumar. The details of the meetings during the financial year under review are mentioned below:

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1	May 20, 2015	6	6
2	July 30, 2015	6	4
3	November 3, 2015	6	6
4	January 29, 2016	6	6
5	March 31, 2016	6	6

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Directors

The composition of the Board of Directors of the Company is as below:

Sr. No.	Name of Director	DIN	Position
1	Mrs. Anjali Singh	02082840	Non-Executive Chairperson
2	Mr. Manoj Kolhatkar	03553983	Managing Director
3	Mr. Pradipta Sen	00051758	Non-Executive Independent Director
4	Mr. Atul Khosla	02674215	Non-Executive Independent Director
5	Mr. Aditya Vij	03200194	Non-Executive Independent Director
6	Mr. Jagdish Kumar	00318558	Non-Executive Director

## Directors' Report

# Directors' Report (Contd.)

In accordance with the Article 128, 129 and 130 of the Articles of Association of the Company and Section 152(6)(d) and (e) of the Companies Act, 2013, Mrs. Anjali Singh retires by rotation, and being eligible, offers herself for reappointment. Pursuant to Section 149 and 161 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Mr. Jagdish Kumar, Non-Executive Director, is proposed in the ensuing Annual General Meeting.

The re-appointment of Mr. Manoj Kolhatkar, Managing Director of the Company, for a further period of 5 years, w.e.f. May 27, 2016, pursuant to the provisions of Section 196 of the Companies Act, 2013 is proposed in the ensuing Annual General Meeting.

The details of the Directors who are proposed to be appointed/re-appointed in the ensuing Annual General Meeting forms part of the Corporate Governance Report. During the year under review, the following changes occurred in the constitution of the Board of Directors.

Sr. No.	Name of Director	Designation	Date of appointment	Date of cessation
1	Mr. Rohit Philip	Non-Executive Director	November 13, 2013	July 30, 2015
2	Mr. Jagdish Kumar	Non-Executive Director	November 3, 2015	-

The Board of Directors deeply appreciate the contribution of Mr. Rohit Philip, whose term ended during the year under review, and had expressed his unwillingness to be reappointed for the next term in the Annual General Meeting. The association of Mr. Rohit Philip and his valuable guidance benefited the Company.

## B. Declaration of independence

The Non-Executive Independent Directors enlisted below provided a declaration under Section 149 (6) of the Companies Act, 2013 that they meet the criteria of independence. The declarations from the Directors is attached as **Annexure A**

Sr. No.	Name of Director
1	Mr. Pradipta Sen
2	Mr. Atul Khosla
3	Mr. Aditya Vij

## C. Formal evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Clauses of the Listing Agreement/ Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an annual evaluation of its own, its Committees, the Chairperson and the Directors, individually. A detailed note on the manner of evaluation forms a part of the Corporate Governance Report.

## D. Audit committee

The Audit Committee was constituted as per the provisions of the Companies Act, 2013 and the Listing Agreement/ Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of the Audit Committee is as below:

Sr. No.	Name of Director	DIN	Position
1	Mr. Atul Khosla	02674215	Non-Executive Independent Chairman
2	Mr. Pradipta Sen	00051758	Non-Executive Independent Member
3	Mr. Jagdish Kumar	00318558	Non-Executive Member

## E. Key managerial personnel

During the year under review, there has been a change in the Key Managerial Personnel of the Company. The details of the same are enlisted below:

Sr. No.	Name of key managerial personnel	Designation	Date of appointment	Date of resignation
1	Mr. Pranvesh Tripathi	Company Secretary	January 30, 2015	March 19, 2016
2	Mr. Nilesh Jain	Company Secretary	March 31, 2016	-

# Directors' Report (Contd.)

## COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place a Nomination and Remuneration Policy, which was duly approved by the Board in the Financial Year 2014-15. The remuneration, in all forms, paid to the Managing Director was in compliance with the said policy. The remuneration to Non-Executive Independent Directors in the form of commission and sitting fees was also paid in terms of the said policy. The disclosure of the details of the Nomination and Remuneration Policy forms part of the Corporate Governance Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Disclosures relating to the Loans, Guarantees or Investments, as defined under Section 186 of the Companies Act, 2013, forms part of the notes to the Financial Statement.

## VIGIL MECHANISM

A Vigil Mechanism in the form of an Ethics Helpline and Whistle Blower Policy was established by the Company to trace and deal with instances of fraud and mismanagement. The details/report for the same was directly reported to the Audit Committee Chairman. A brief note on the Whistle Blower Policy is disclosed in the Corporate Governance Report. The Policy is also posted on the Company's website.

## INTERNAL CONTROLS & SYSTEMS

The Company has satisfactory internal control systems and vigilance systems, which are continuously evaluated by professional internal and statutory auditors of repute. The Company continues to improve the present internal control systems by implementation of appropriate policy and processes. The Company is focused on incorporating the controls and checks in ERP system of SAP. The Company has in place an adequate system to ensure efficacy of operations, compliance with applicable legislation, safeguarding of assets, adherence to management policies and promotion of ethical conduct.

A dedicated Legal Compliance cell ensures the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Audit Committee reviews the internal control systems and procedures periodically. The Company maintains a system of internal financial controls (IFC) designed to provide a high degree of assurance on various business areas such as Procure to Pay, Inventory, Order to Cash, Fixed Assets, Human Resource, Legal, Book Close and MIS regarding effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations. This is done by recording the results of key manual controls status across the company and also retaining the back-up of the same in a common secured server for future reference.

## BUSINESS RISK MANAGEMENT

In a competitive auto environment, like most other Tier- I companies, Gabriel too faces several threats. Competition in the suspension industry is expected to put pressure for developing competitive products with high performance, quality and longer life. The Company's business is exposed to many internal and external risks which were identified after proper risk assessment. Some of the key risks identified are a threat to market share due to global competition, procurement of few components, Exports and regulatory compliance. As per the policy, the risks have been reviewed by the senior management as well as short term and long term risk mitigation plans have been identified. A Risk Committee formed under the Chairmanship of the Chief Financial Officer meets every quarter to review progress and an update of the same is presented to the Board.

The key risks of the organization are:

### Industry Risk

The Company is proactively prepared for a sectoral slowdown by widening its product basket and cushioning it from any downturn. The Company bolstered its customer de-risking by forging relationships with a large number of OEMs, widening its Exports and the Aftermarket presence. The Company singled out Exports and Aftermarket Business Unit as key growth verticals for the future and reformulated tactics to enhance revenue shares from these segments without compromising growth with OEMs. The Company has signed a technology agreement with KONI B.V., The Netherlands.

### Competition Risk

The Company is working closely with customers to develop products collaboratively. The Company has empowered its employees to seek and eliminate operating inefficiencies, thus strengthening margins in the process. The Company invested in



# Directors' Report (Contd.)

renewable energy with the objective to moderate costs across the long term. To support the Company's ride tuning capabilities, the Company invested in a Ride Tuning Van to enable faster product approval with customer satisfaction.

## Procurement Risk

The Company has been engaged in vendor rationalization with the objective of enhancing purchasing efficiencies. The Company implemented an action plan to minimize an excessive dependence on specific vendors. The Company has identified over reliance on single sourced vendors as a risk. It has made an elaborate action plan to counter the same by way of strategic partnerships, alternate sourcing and vendor consolidation for high-risk vendors. The Company grew volumes to procure material and sub-components more efficiently.

## Export Risk

The Company keeps up with its strategy to engage into technology collaborations to enhance product and process competencies. The Company invested in extensive training to enhance product quality and process discipline. The Company commissioned a full-fledged 2-Wheeler R&D Centre at Hosur in December 2013 and strengthened its R&D capabilities in its Passenger Cars and Commercial Vehicles Business Unit. The Company has set up a dedicated team to focus on Exports for the regions of South Asia, ASEAN, Middle East and Latin America.

## Compliance Risk

The Company conducts comprehensive checks to ensure that all transactions are correctly authorized, recorded and reported. Its internal control system is supplemented by an extensive array of internal audits, reviews of findings and assessment of improvement opportunities across business processes, systems and controls. The Company is establishing an Intranet-based software to derive a visual confirmation of compliance across its plants. The company identified additional risk of Statutory & EHS compliance at key vendors for continuous monitoring.

## CONTRACT AND ARRANGEMENT WITH RELATED PARTIES

During the year, the Company hasn't entered into any contract/ arrangement/ transaction with related parties which were either not at an arm's length or not in the ordinary course of business and further could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Hence, there is no information to be provided in Form AOC-2, while the particulars of all Related Party Transactions in terms of Accounting Standards-18 are forming part of the financial statements.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

## CORPORATE SOCIAL RESPONSIBILITY

Gabriel continues to invest in Corporate Social Responsibility initiatives for societal advancement and benefits. The Company, through Sant Nischal Singhji Foundation (SNS Foundation), successfully strives in its endeavor to impact the underprivileged sections of the society through various programmes. SNS Foundation is the social engagement arm of the ANAND Group. It is a charitable Trust which has been sanctioned tax exemption under Income Tax Act, 1961.

In the past two decades, the SNS Foundation has:

- Trained 30,000 youth across skill sectors
- Annually, 2500 youth attended SNSF's 15 multi-skill development centres
- Made available quality education to 100,000 Government School Students
- Annually, 12,000 children aged 3 years to 18 years access quality education inputs across 50 Government/Government aided schools

Through the SNS Foundation, the Company has invested in organizing health check-up camps, adult literacy classes and classes to prepare non-school going children for formal schooling. Dustbins have been installed and sanitation workers are deputed to ensure better hygienic conditions at various project sites. This is in line with the Government's 'Swachh Bharat Abhiyan'. The vocational training and skill development courses provided by the Foundation have touched the lives of many underprivileged youth and women across the country and created sustainable livelihood opportunities for them.

*Directors' Report*

# Directors' Report (Contd.)

The Company has spent a total of Rs 12.24 million on CSR activities, as required by the Companies Act, 2013. Further, as per the requirement of Section 135 of the Companies Act, 2013, the Company constituted a CSR Committee and CSR Policy to track related transactions and initiatives. The detailed policy is posted on the Company's website. Further, a detailed report on the CSR activities inter-alia disclosing the composition of CSR Committee is attached as **Annexure B**.

## SUSTAINABLE DEVELOPMENT

The Company continues to focus on the Green Initiative and is working towards making eco-friendly products. During the year under review, the Company has embarked on the following activities:

- Harnessing green energy from solar Sourcing of green energy
- Reducing Energy consumption by way of waste heat recovery
- Using Energy Efficient LED lighting
- Reducing energy consumption by way of advanced manufacturing technology
- Innovation projects in improving energy efficiency in Casting plant

The Company is building sustainable manufacturing processes through reduced carbon footprint and bringing green technology into its manufacturing locations. The Company is developing projects around the sustainability theme, even as it continues to adopt methods to reduce any kind of impact on the environment. It has employed use of renewal energy sources and continues to explore more in this area. Since 2011, it has reduced an aggregate CO<sub>2</sub> emissions of 4 lakh tonnes, which is equivalent to 7 lakh mango trees or 10,000 acres of plantations. The Company continues to upgrade technology to reduce carbon footprint and carries forward its commitment to sustainability.

Such activities have been implemented by the Company for betterment of the society. It is in this manner that the Company contributes to sustainable development in its own ways. It is also constantly exploring ways to make the society a better place to live in.

## TECHNOLOGY

The Company collaborates with KYB Corporation, Japan; Yamaha Motor Hydraulic Systems, Japan; KYBSE, Spain and KONI B.V., The Netherlands for technical support on various models on a platform basis. The Company continued to invest in R&D and testing facilities to facilitate robust design, foster new products launch and higher customer satisfaction, which has been reflected in the awards bagged from its customers and another independent corporate bodies.

The Company continues to foster its strong position by way of providing complete solutions for the suspension systems. In order to maintain its leadership position in technology offerings, the Company created a state-of-the-art, dedicated Tech Centre at Hosur and carried out substantial expansions of its state of art R&D facility at Chakan & Nashik. These three Tech Centres cater to providing complete solutions for product development, process development and engineering services required for product homologation in every segment. All these facilities are also approved by the Government of India's Department of Scientific and Industrial Research (DSIR). A key achievement has been the provision of technical services to overseas Gabriel companies such as Gabriel South Africa & Gabriel De Colombia.

These Centres generate advanced products and features robust testing, with the objective of delivering reliable defect-free products. All these Centres employ highly qualified research professionals who work in a creative and innovative environment that enhances speed, responsiveness and quality of product development leading to customer satisfaction.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, information relating to the foregoing matters is attached as **Annexure C** to this Report.

## EMPLOYEE RELATIONS

The Company continues its best practices in Employee Recognition, Training and Mentoring and epitomizes a culture of team work and team spirit. The Company enhances people productivity through investments in training and leadership development programmes. Due to this, it has been officially recognized as one of the best workplaces in India by the Great Place to Work Institute in 2012, 2015, 2016. The Company believes that being a great workplace is a proud achievement for any manufacturing organization.

*Directors' Report*

# Directors' Report (Contd.)

To achieve higher productivity levels and employee value addition, the Company has taken many initiatives for its Operating Engineers and Staff. These initiatives include skill enhancement, technical training and soft skills development.

With the aim of preparing itself for stable and sustainable growth in the coming years, the Company has a continued emphasis on focused coaching and guidance for its talent pool. The Company continues its initiatives in employee development by way of the ANAND Leadership Development Programme (ALDP) and ANAND Mentorship Programme (AMP), with support from the ANAND Group.

The Company has also initiated a Behavioral Model pledge during its annual goal setting exercise, to inculcate the core value of "delivery on promise".

Further, employee relations remain cordial at all locations.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the regulators or courts having competent jurisdiction, which could have an impact on the business of the Company under the going concern concept.

## CORPORATE GOVERNANCE REPORT

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 under Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed thereto.

## MANAGEMENT DISCUSSION ANALYSIS

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis is set out in this Annual Report.

## PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Through the Policy, the Company has constituted a Committee and established a grievance procedure through Internal Complaints Committee for protection against victimization. The Company is committed to provide a healthy environment to all its employees conducive to work without the fear of prejudice and gender bias.

During the year under review, no complaints were received by the Company related to Sexual Harassment.

## AUDITORS

### Statutory Auditors

B. K. Khare & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate under Section 141 of the Companies Act, 2013 to the effect that the proposed appointment, if made, would be in accordance with the provisions of Companies Act, 2013.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint B. K. Khare & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming Annual General Meeting for a period of five years until the conclusion of the AGM for the year ending March 31, 2021 subject to ratification of their appointment at every AGM.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it appointed KPRC & Associates, a firm of Company Secretaries in practice, to undertake the Secretarial Audit. The Self Explanatory report of the Secretarial Audit is attached as **Annexure D**. Secretarial Standard-1 was implemented with effect from July 1, 2015 and there were few inadvertent procedural lapses in its compliance at the implementation stage. However, proper compliance were made thereafter during the year under review. Typo errors /wrong references in minutes were accidental, which is being taken care.

*Directors' Report***Directors' Report** (Contd.)**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 in the Form MGT 9 is attached as **Annexure E**.

**PARTICULARS OF EMPLOYEES**

As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees were set out. In terms of Section 136 of the Companies Act, 2013, the report and accounts were sent to members and others entitled thereto, excluding information on employees' particulars, which are available for inspection by members at the registered office of the Company during business hours on working days of the Company upto the date of ensuing Annual General Meeting. Details in terms of Rule 5(1) of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure F**.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

1. In preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the Profit of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.
5. The Directors, in case of a listed Company, have laid down internal financial controls followed by the Company and that such financial controls are adequate and operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**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.

Place: New Delhi  
Date: May 20, 2016

For and on behalf of the Board  
**Anjali Singh**  
Chairperson  
(DIN 02082840)

*Annexure A - Declaration of Independence***Annexure A - Declaration of Independence****Declaration under Section 149 (6) of the Companies Act, 2013:**

We, Pradipta Sen, Atul Khosla and Aditya Vij being the Independent Directors of Gabriel India Limited (“the Company” hereby acknowledge, confirm and declare that:

- a) We are or were not promoter of the Company or its holding, subsidiary or associate company; nor are we related to promoter or directors in the Company, its holding, subsidiary or associate company;
- b) We do not have or had any pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- c) None of our relatives have or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d) We ourselves nor any of our relatives,
  - i) Hold or have held the position of key managerial personnel or is or has been employee of the Company or its holding, or subsidiary or associate company in any of the three financial years immediately preceding the financial year in which we are proposed to be appointed;
  - ii) are or have been an employee or proprietor or partner, in any of the three financial years immediately preceding the financial year in which we are proposed to be appointed, of -
    - (A) A firm of auditors or company secretaries in practice or cost auditors of the Company or its holding or subsidiary or associate company; or
    - (B) Any legal or consulting firm that has or had any transaction with the Company, or its holding, or subsidiary, or associate company amounting to ten percent or more of the gross turnover of such firm;
  - iii) Hold together two percent or more of the total voting power of the Company;
  - iv) are Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty -five percent or more of its receipt from the Company, any of its promoters, or directors, or its holding, or subsidiary, or associate company or that holds two percent or more of total voting power of the Company; or
- e) We possess appropriate skills, experience and knowledge of disciplines related to the Company’s business.

**Pradipta Sen**  
DIN 00051758

**Atul Khosla**  
DIN 02674215

**Aditya Vij**  
DIN 03200194

Place: New Delhi  
Date: May 20, 2016

## Annexure B- I - Annual Report on CSR Activities

# Annexure B- I - Annual Report on CSR Activities

After the introduction of the Section 135 along with the Companies (Corporate Social Responsibility), Rules 2014 on April 1, 2014, the Corporate Social Responsibility Committee "CSR" of the Company was constituted on May 14, 2014

## 1. CSR POLICY

Pursuant to Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) framed thereunder it was a mandatory commitment for a corporate to contribute and operate in an economically, socially and environmentally sustainable manner and also establish a Corporate Social Responsibility Policy and a committee to track the transactions relating to CSR initiatives.

Accordingly, henceforth, it is a continuing commitment for a company to perform ethically and contribute to economic development of the society at large. CSR, therefore, is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities. The detailed policy as per the Regulations has been duly established and the same is uploaded on the website of the Company at the weblink: [www.gabrielindia.com/investors/csr-policy.aspx](http://www.gabrielindia.com/investors/csr-policy.aspx)

The brief details of the activities undertaken by the Company through SNS Foundation are enlisted below:

- a. ANAND Parwanoo School Slum Abhiyan
- b. ANAND Sports Complex and Municipal Park
- c. Government Senior Secondary School, Pratha Panchayat
- d. ANAND Nasik Village Income School Abhiyan
- e. ANAND JAWAI SUJAN School Abhiyan
- f. Health Services at Village Bherwa, Dist. Jaisalmer
- g. Improving income generation at rural locations of District Dewas
- h. ANAND Dewas Sarva Shiksha Abhiyan
- i. Bio-mass plantation development of Nutan Maharashtra Institute of Engineering & Technology Campus
- j. Infrastructure Development in Navin Samarth High School & Pragati Vidyamandir
- k. Promoting Vocational Skills among underprivileged youth especially girls

## 2. COMPOSITION:

The CSR Committee consists of the following members:

Sr. No.	Name of Member	Position
1	Mrs. Anjali Singh	Chairperson
2	Mr. Manoj Kolhatkar	Member
3	Mr. Atul Khosla	Member

Members of the CSR committee are eminent professionals and financially literate.

## 3. AVERAGE NET PROFITS OF THE COMPANY FOR THE LAST THREE FINANCIALS YEARS:

(Rs in million)

Financial Years	2014-15	2013-14	2012-13	Average Net profit for last 3 years
Net Profits	849.65	568.36	417.15	611.72

## 4. PRESCRIBED CSR EXPENDITURE :

2% of Average net profits i.e. Rs 12.24 million

## 5. DETAILS OF CSR DURING THE FINANCIAL YEAR:

- a) Total Amount spent during the Financial Year : Rs 12.24 million
- b) Amount unspent, if any : Nil
- c) Manner in which the amount spent during the financial year is attached as Annexure B-II.

6. The Company has spent two percent of the average net profit of the last three financial years on CSR Activities.

## 7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE:

The implementation and monitoring of CSR Policy is in compliance with the CSR objective and Policy of the Company.

Place: New Delhi  
Date: May 20, 2016

**Manoj Kolhatkar**  
Managing Director  
(DIN 03553983)

By the order of Board  
**Anjali Singh**  
Chairperson of Board  
and CSR Committee  
(DIN 02082840)

## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II - Annual Report on CSR Activities

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects/ Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
1	ANAND Parwanoo School Slum Abhiyan (APSSA)	Education, Water, Sanitation- Schedule VII (i), (ii) and (iv)	Parwanoo Township, District Solan, Himachal Pradesh	33.00	(1) Improving Quality of Education in 6 Govt Primary Schools of Ambota Cluster, Parwanoo Township (745 students from Classes I to V)	1,313,696			In June 2014, SNS Foundation signed a MoU with Department of Education, Govt. of HP in order to engage with all 11 govt. schools of Parwanoo to improve their quality of instruction and thereby impact the learning levels of students studying in them. In Year 1, the engagement was with 8 government primary schools - remedial coaching by hiring of 5 additional teachers after regular school hours was initiated in 3 schools (500 students) and other aspects of quality education viz. safe school infrastructure, uniform needs of sweater, footwear etc was met for all 1080 students in the 8 schools. In Year 2 remedial coaching was expanded to cover 3 more government primary schools in Baroti cluster. Likewise, the number of remedial coaching teachers rose from 5 in 2014-15 to 11 in 2015-16. The 6 schools where remedial coaching is in progress have 745 students of which nearly 580 were found to be academically weak. The extra coaching classes run after regular school hours for 2.5-3 hours where students are provided with nutrition. Health check ups are also carried out for the students.
					TOTAL	1,313,696			
					(II) Improving Quality of Living in 5 Low Income Colonies of Parwanoo Township- Sewanagar, Railway Colony, Pole Factory, Bourri and Kamli with estimated 5500 population - Includes cleaning of Mashobra Township	1,948,932			Since almost 80% of the students in government schools come from low income colonies/slums of Parwanoo township, which have an impact on their learning levels back home SNS Foundation since 2014-15 have been working towards improving the living conditions in slums. 3 low income or slum colonies were adopted in Year 1 and in 2015-16 i.e. Year 2, 2 more colonies have been added. Towards this end, the different activities are carried out: (a) Positioning of dustbins in the colonies (52 Nos), (b) Engagement of 6-8 sanitation workers to sweep the streets within the 5 colonies and for regular garbage disposal from the 52 bins (c) Regular visits of a doctor (d) Classes have been initiated to teach school drop outs and children of school going age who are not attending school so that with time, these children too can be integrated into the formal schools. Presently there are 3 such groups with 80 learners (e) Early Childhood Education through Balwadis. Presently there are 3 such groups with 90 learners (f) Adult Education- was initiated with mostly female participants with the view that if mothers too start getting educated, it will provide a better learning environment for children at home. With 50 learners who have successfully completed the course presently 40 more learners are attending classes to achieve similar feat.
					TOTAL	1,948,932			
					TOTAL of Project APSSA	3,262,628			

## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II (Contd.)

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects / Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
2	ANAND Sports Complex and Municipal Park	Environment Schedule VII (iv)	Parwanoo Township, District Solan, Himachal Pradesh	3.50	Quarterly transfer of Rs 107250/- to Municipal Committee, Parwanoo for upkeep of the Park as per MoU + annual other repair and maintenance	354,551		This park was developed by SNS Foundation on behalf of ANAND Group and the Parwanoo Hub Companies including Gabriel in 2011. Since the handing over of the park to Municipal Committee, Parwanoo in 2012-13, SNS pays for the regular upkeep and maintenance and security of the premises.	
3	Govt. Senior Secondary School, Pratha Panchayat	Education Schedule VII (ii)	Pratha Panchayat, District Solan, Himachal Pradesh	1.00	TOTAL Improving quality of education through supporting the positioning of para teachers in the school against regular staff vacancies	354,551 98,464		Being a government school, the school constantly has positions vacant among its teaching and non-teaching staff. This amount being provided since 2007 is utilized for supporting adhoc staff who fill in the vacancies so that normal working of the school/classes do not suffer.	
4	ANVISA- ANAND 5 Nasik Village Income School Abhyyan	Education, Rural Development, Livelihood Enhancement Schedule VII (ii), (iv), (x)	Block Trimbakeshwar, District Nashik, Maharashtra	37.50 15.00	TOTAL OF PARWANOO BASED PROJECTS Improve the quality of education in 8 govt./ NGO run schools (Primary - Senior Secondary) in 7 tribal villages of Block Trimbakeshwar, Dist Nasik with total student strength of 2587 by way of improvement in school infrastructure and by providing for additional teachers to coach academically weak students or fill up vacant teacher posts.	98,464 3,715,643 1,475,639	SNS FOUNDATION	From working with 1 school in Village Kharset and a cluster of 3 villages - Jhambulpada, Kharset and Sadadpada for holistic village development in 2014-15, in 2015-16 SNS expanded its operation to include 7 more schools in 4 more villages for improving the quality of education. The 8 schools of which 4 are tribal residential schools and 4 non residential, have a total student strength of 2587. Remedial coaching for academically weak students is being addressed by way of E-class education and extra coaching done by 12 SNS appointed teachers. In the past year, of 8 schools remedial coaching and e-class were taken up in 3 tribal residential schools viz. at villages Pimpri, Velunje and Rohile. All schools benefitted from infrastructure development works undertaken to improve drinking water and toilet facilities in them as well as general repairs. In village development 150 families were supported to have smokeless chulhas.	
				15.00	GRAND TOTAL OF NASIK BASED PROJECTS	1,475,639			



## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II (Contd.)

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects / Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
5	AISSA - ANAND JAWAISUJAN School Abhiyan	Education, Rural Development, Livelihood Enhancement Schedule VII (ii), (iv), (x)	Villages Sena and Perwa, Block Bali, District Pali, Rajasthan	30.00	Improve the quality of education in the Govt. Schools of the 5 selected villages of Perwa, Sena, Jivda, Meeno Ki Dhannee and Bislepur with approx. 1300 students and improve sanitation condition in the 2 villages of Perwa and Sena (3485 population)	3,142,391			From working with 1 school in JAWAI area (Village Perwa) in 2014-15, SNS has started work with 4 more govt. schools in the area. The 4 new govt. schools are in 4 different villages - Bislepur, Jivda, Meeno Ki Dhannee and Sena. The total student strength of the 5 schools is close to 1300. Of the 5 adopted schools, two are senior secondary (till Class XII), one a primary (till Class V) and two are middle schools (till Class V). A total of 8 teachers appointed by SNS work in these 5 schools to support remedial coaching activity with the academically weak students. Infrastructural development was taken up in a major way in the 5 schools covering essential aspects of sanitation and drinking water along with general repairs. Library books and science and maths lab items were provided for in the schools. In addition in two of the five villages, Perwa and Sena regular garbage cleaning activities are being made available through well positioned dustbins and regular sanitation workers.
6	Health Services at Village Bherwa, Dist. Jaisalmer	Ensuring animal welfare, rural development Schedule VII (iv) and (x)	Village Bherwa, Block & District- Jaisalmer, Rajasthan	1.50	4 health camps for the human population and 1 health camp for the veterinary population of Village Bherwa and some surrounding villages	3,142,391 120,249			During the financial year 2015-16, total 4 human health check camps were held at Village Bherwa. A total of 444 OPDs were conducted in these 4 camps. In the last camp held on March 30th, in addition to a general physician, an orthopaedic, a skin specialist and a gynaecologist were present. With the presence of specialist doctors the attendance at the camp also rose to 170 which usually hovers around 120-140. After the camps, the patients were also provided with free medicines.
				30.00	GRAND TOTAL OF JAWAI BASED PROJECTS	3,142,391			
				1.50	GRAND TOTAL OF JAISALMER BASED PROJECTS	120,249			

## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II (Contd.)

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects / Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
7	Improving income generation at rural locations of District Dewas	Promoting vocational skills, livelihood enhancement projects - Schedule VII (ii)	Blocks Dewas, Tonk and Sonkutch, District Dewas, Madhya Pradesh	1.50	Partnership project of SNS Foundation and govt. agency NABARD to promote rural entrepreneurship and micro-finance	147,929			During the year 2015-16, SNS Foundation were awarded financial literacy training and Micro Entrepreneurship Development Programmes (MEDP) to be carried out in villages and with mature self help groups respectively. The financial literacy programmes of 1 day duration each were carried out in 25 villages. The MEDP programme was in the field of growing medicinal plants and vegetables in the backyards of ones house. 13 women self help groups carried out this pilot of growing medicinal plants and vegetables in their backyard through a method known as Gangamandalam.
	ANAND Dewas Sarva Shiksha Abhiyan (ADSSA)	Education Schedule VII (ii)	Village Siya, Block Dewas, District Dewas, Madhya Pradesh	10.00	Improve the quality of education in the 5 Govt. Schools of Siya Cluster (Primary - Senior Secondary) with total student strength of 585 by way of improvement in school infrastructure and by providing for additional teachers to coach academically weak students or fill up vacant teacher posts	1,002,205	SNS FOUNDATION		ANAND Dewas Sarva Shiksha Abhiyan (ADSSA) made its beginning in 2015-16 by signing a MoU with Dewas District Education Office for the adoption of 5 govt. schools in Village Siya. The 5 schools include 3 primary schools, 1 middle school and 1 senior secondary school. The student strength in the 5 schools is from Classes I - XII is about 600. With combined efforts of the Education Department, District Planning Office and SNS Foundation the infrastructure of the primary and middle schools received a complete facelift - boundary wall with main gate was constructed, washrooms were repaired and kitchen was constructed for cooking of midday meals. Two teachers for strengthening learning of students in English and Maths were appointed in the senior secondary school. One additional teacher was appointed for the academically weak students in the primary section. With 25 learners, adult education classes have been initiated in Village Siya.
				11.50	GRAND TOTAL OF DEWAS BASED PROJECTS	1,150,134			

## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II (Contd.)

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects / Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
8	Infrastructure Development in Navin Samarth High School & Pragati Vidyamandir - a SNS Adopted Schools under Nutan Vidya Prasarak Mandal	Education Schedule VII (ii)		5.00		484,792	SNS FOUNDATION	Under ACHSSA, SNS Foundation is working with 4 schools, Pragati Vidyamandir (till Class XII), Palsa Fund School (till Class IV), Navin Samarth (Class VI-X) and Zila Parishad School, Malwadi (till Class VII). Apart from Zila Parishad School, all 3 schools are under the management of Nutan Vidya Prasarak Mandal. SNS works with academically weak students in these schools through 3 teachers appointed by the Foundation itself. Science Lab equipments were provided in Pragati Vidyamandir.	
9	Promoting Vocational Skills among underprivileged youth especially girls	Promoting Vocational skills among women Schedule VII (ii)	(i) Parwanoo, District Solan, Himachal Pradesh (ii) Gurgaon, Pataudi, Sohna, District Gurgaon, Haryana (iii) Rewari city, District Rewari, Haryana (iv) Dewas, District Dewas, Madhya Pradesh	13.00	GRAND TOTAL OF CHAKAN BASED PROJECTS In rented premises across the four mentioned locations training has been imparted to girls and women across the trades of cutting and tailoring, dress making, fashion designing, basic and advanced beauty culture, basic and advanced computers, nursery teachers' training and para-nursing. All equipments for training are purchased and/or maintained by SNSFoundation. The instructors are on SNSF payroll and covered under ESI and PF.	1,297,476	SNS FOUNDATION	Courses are certified by National Institute of Open Schooling and SNS Foundation itself. Courses range from being 1 month - 1 year in duration, most courses are of 6 months duration. During the year 2014-15, as on March 31, 2015 the students either graduated or were under training in the major geographical areas of operation. A small fee of approx Rs 400 p.m. is charged from students to maintain sustainability and generate seriousness among students. Across the locations of Gurgaon, Rewari, Parwanoo and Dewas - as on March 31, 2016 1420 students were trained in trades ranging from Basic & Advanced Computers, Basic & Advanced Beauty Culture, Cutting & Tailoring, Dress Making, Fashion Designing, Health Assistant Training Programme. Another 800+ students were under training in these trades as on March 31, 2016.	
				13.00	GRAND TOTAL OF VOCATIONAL TRAINING PROJECTS	1,297,476			

## Annexure B- II - Annual Report on CSR Activities

## Annexure B- II (Contd.)

REPORT ON UTILIZATION OF FUNDS UNDER GABRIEL CORPORATE SOCIAL RESPONSIBILITY FOR THE PERIOD FROM 1 <sup>st</sup> APRIL, 2015 TO 31 <sup>st</sup> MARCH, 2016									
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects / Program - Local Area or Other, Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise (Rs in Lacs)	Amount spent on the projects or programs Sub Heads (1) Direct Expenditure on projects or programs (2) Overheads	Actual Expenditure upto the reporting period (Apr.15 - Mar. 16) (Rs)	Amount spent: Direct or through Implementing Agency	Brief Overview of Project Activities	
10	ANAND Hosur Sarva Shiksha Abhiyan (AHSSA)	Education Schedule VII (ii)	Village Moranapalli, Block Hosur, Dist. Dharmapuri, Tamil Nadu	8.80	Improve the quality of education in the 2 Govt. Schools in Village Moranapalli (Primary - Secondary) with total student strength of 340 by way of improvement in school infrastructure and by providing for additional teachers to coach academically weak students or fill up vacant teacher posts	865,937	SNS FOUNDATION	Under AHSSA, SNS Foundation is working with 2 govt. schools in close proximity of the Company's Hosur plant. The two schools viz. are Govt. Primary School and Govt. High School in Village Moranapalli. The total student strength of the two schools is 340 from Classes I - X. In its first year of engagement, SNS worked on the infrastructure of the two schools as well as supported remedial coaching of the academically weak students in primary classes. 50% of the 120 students in primary classes were found to be academically weak. SNS has posted a special teacher w.e.f. October 1 to work on these 60 odd students. In the high school, SNS sponsored a teaching staff to fill up the vacant position of a Telugu subject teacher. The high school also received a 30*30' classroom built with CSR contributions of Gabriel. Science Lab items and library books for students in Classes I-V were also made available by the Foundation.	
					GRAND TOTAL OF HOSUR BASED PROJECTS	865,937			
11	Gabriel Khandasa, Corporate Volunteering	Education Schedule VII (ii)	Gurgaon City, District Gurgaon, Haryana	122.33	Celebration of Holi with school and ITI students of Welfare Society for Persons with Speech & Hearing Impairment, Gurgaon	24,522		On March 18th, about 15 corporate volunteers from Company's Khandasa Plant celebrated Holi with school students of Welfare Centre for Persons with Speech and Hearing Impairment, Chandan Nagar, Gurgaon. SNS is also working for the skill development and employment of youth from the same Institute. Gabriel Khandasa and its VSME vendors are pioneer employers of youth with Speech and Hearing Impairment, presently 10 such youth are working at Company's Khandasa and its vendors primarily in the functions of inspection and packaging.	
					GRAND TOTAL EXPENDITURE UNDER GIL CSR	12,276,783			

## Annexure C - Conservation of Energy and Green Technology

# Annexure C - Conservation of Energy and Green Technology

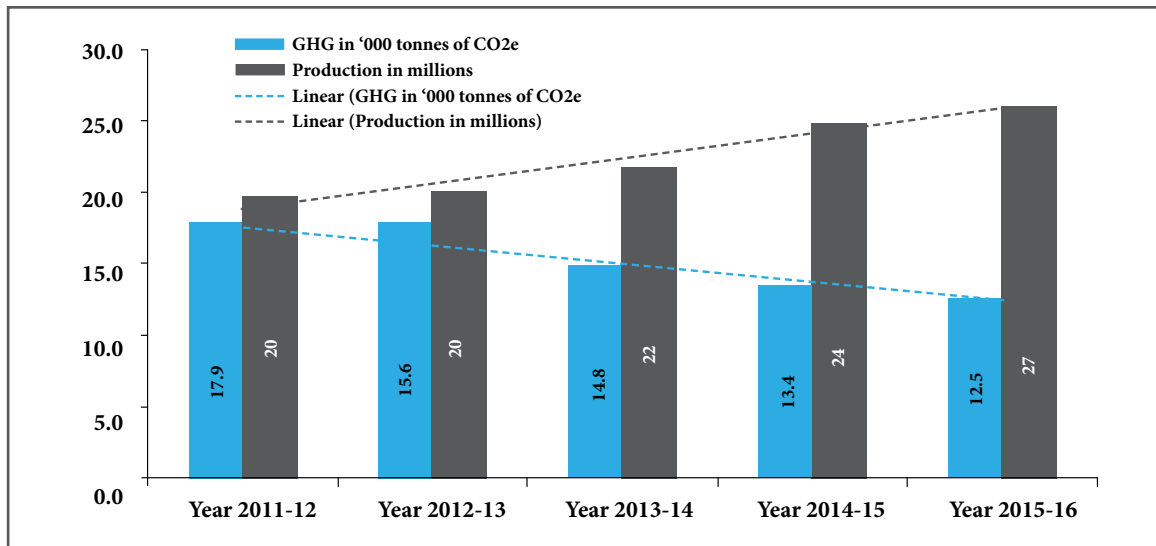
Information as per Section 134 (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016

## 1. CONSERVATION OF ENERGY AND GREEN TECHNOLOGY/ INITIATIVES

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

1. Reducing energy consumption per unit shock absorber by 2.6%. This is year on year over last financial year wherein it was 11%.
2. Sourcing of Green Solar Energy for conserving fossil fuels & reduce Electricity cost.
3. Using / improving energy efficiency using LED lighting technology at our plants.
4. Usage of waste heat to improve the equipment efficiency and conservation of fossil fuels i.e. Natural Gas at Dewas Plant.
5. Certification of Parwanoo Plant under ISO14001 and OHSAS 18001.
6. Harnessing Green energy from roof top solar plant to the tune of 265 KW peak at Hosur Plant.
7. Conversion of equipment from electrical heating to gas based heating ~ reduces energy cost & carbon foot print at Khandsa Plant.
8. Installation of Zero Liquid Discharge plant at Hosur to ensure no effluent is discharged to the ground.

The Company is committed to reduction of absolute carbon foot print, year on year. Following graph shows the status of the same:



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

## 2. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D was carried out by the Company:
  - a) Developed indigenous shock absorbers for small cars / utility vehicles and trucks and buses.
  - b) Launched several products for the Aftermarket including load adaptive dampers for SUV.
  - c) Benchmarked product features and design with global competitors.
  - d) Launched several innovation projects to reduce product and process complexity.
  - e) Initiated localization and VA/VE proposals in shock absorbers and components.

*Annexure C - Conservation of Energy and Green Technology***Annexure C** (Contd.)

- f) Gabriel started working on developing ride and handling skills which are important for new product development.
- g) Gabriel has been granted with two technology patents by Government of India.
- h) In addition Gabriel has filed/registered 21 nos. of Product and Process Patents.
- i) Gabriel has acquired the knowledge and skill for road load data (RLD) capturing and analysis.
- j) Gabriel has developed “on vehicle noise” recording and measurement capability.
  - 1. Improved induction hardening system for cylindrical and stepped cylindrical rods.
  - 2. Unique method for testing/checking the presence of nodular chrome.

**Benefits derived as a result of the above R&D**

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

**Plan of action**

Company is focusing on innovation in product and process technology as well as operational excellence to achieve a benchmark performance in Ride Control products. A special focus is being given on cost reduction, low-cost automation and productivity improvement. Gabriel is proposing to invest in various new technologies and equipment to develop cutting edge technology.

**EXPENDITURE ON R&D**

	(Rs in million)
Capital	: 66.30
Recurring	: 123.51
Total	: 189.81
<b>Total R&amp;D Expenditure</b>	: 1.33% (Percentage of Net Sales)

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

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

1. A. Technology from Kayaba Industry Co. Ltd. Japan was used for manufacture of Shock Absorbers, McPherson Struts & Front Forks mainly for Japanese OEMs in India.
  - B. KYB Suspensions, Europe, SA a wholly owned subsidiary of Kayaba Industry Co. Ltd. Japan provided technology for new generation vehicles of European origin.
  - C. Technical Assistance with Yamaha Motor Hydraulic System Company Limited, Japan (formerly SOQI) for technology of front fork and 2-Wheeler shock absorbers.
  - D. Technical Assistance with KONI B. V., Netherlands for technology of Shocks suitable for buses and trucks. The company has dispatched the first saleable consignment evolved from the collaborative approach of this technology license agreement. This marks Gabriel's first foray into the luxury bus segment. Gabriel & KONI are continuously focusing on addressing the high-damping force product requirements in the truck segments with customers such as DAIMLER and Tata Motors as well.
2. Benefits derived as a result of the above efforts are acquiring new business, product development, import substitution, product improvement and cost reduction.
3. The Company developed several new suspension systems for various OEMs during the year under review and worked on developing local solutions for imported parts and components, thereby reinforcing the Indian Prime Minister's Make in India campaign.

*Annexure C - Conservation of Energy and Green Technology***Annexure C** (Contd.)

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

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

5. R&D facilities for Ride Control products for 4-Wheelers (Passenger Cars, Commercial and utility vehicles) at Chakan and for 2 and 3-Wheelers at Hosur and Nashik are being upgraded and expanded with improved capabilities in design, engineering, validation and testing. The Company added bench testing equipment to its R&D facilities with the objective to improve capacity and testing capability.
6. The Company is working on various innovation projects to develop new products and features that will be implemented in India for the first time.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total foreign exchange earned and used:

Earnings : Rs 566.65 million (Previous year Rs 527.73 million)

Outgoing : Rs 2,016.50 million (Previous Year Rs 2,280.43 million)

Place: New Delhi  
Date: May 20, 2016

For and on behalf of the Board  
**Anjali Singh**  
Chairperson  
(DIN 02082840)

*Annexure D - Secretarial Audit Report*

# Annexure D

## Form No. MR-3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gabriel India Limited  
(CIN: L34101PN1961PLC015735)  
Regd. Office : 29th Milestone, Pune - Nashik Highway,  
Village Kuruli, Taluka Khed,  
Pune, Maharashtra-410501  
INDIA

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gabriel India Limited (hereinafter referred to as "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### **Management's Responsibility for Secretarial Compliances**

The Company's Management is responsible for preparation and maintenance of Secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Secretarial records, Standards and Procedures followed by the Company with respect to Secretarial Compliances on test basis.

### **Opinion**

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit for the financial year ended on March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; -Not Applicable for the period under review.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - No events had happened under this, however, complied to the extent of shareholding disclosure requirements as applicable.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable for the period under review.



*Annexure D - Secretarial Audit Report***Annexure D** (Contd.)

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable for the period under review.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable for the period under review.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable for the period under review; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable for the period under review.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards 1 and 2 as issued and notified by The Institute of Company Secretaries of India with effect from the July 1, 2015.
- The Listing Agreement entered into by the Company with Bombay Stock Exchange ('BSE') and The National Stock Exchange of India Ltd. ('NSE') during the period as was applicable.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the audit period from December 1, 2015 to March 31, 2016.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the above listed statutory provisions to the extent in the manner and subject to the reporting made hereinafter as listed in the Annexure to this Report.

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Based on the Compliance mechanism established by the Company and on the basis of the Compliance Certificate (s) issued by the Company Secretary(ies)/ respective compliance officers of the Company and taken on record by the Board of Directors at their meetings, we are of the opinion that the management has:

- A. Adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- B. Complied the following laws to the extent in the manner and subject to the reporting made hereinafter as listed in the Annexure to this report, which are applicable to the Company:
  - a. The Environment (Protection) Act, 1986.
  - b. The Water (Prevention and Control of Pollution) Act, 1974.
  - c. The Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008.
  - d. The Air (Prevention and Control of Pollution) Act, 1981.
  - e. The Factories Act, 1948.
  - f. The Industrial Dispute Act, 1947.

*Annexure D - Secretarial Audit Report***Annexure D** (Contd.)

- g. The Payment of Wages Act, 1936.
- h. The Minimum Wages Act, 1948.
- i. The Employees' State Insurance Act, 1948.
- j. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- k. The Payment of Bonus Act, 1965.
- l. The Payment of Gratuity Act, 1972.
- m. The Contract Labor (Regulation and Abolition) Act, 1970.
- n. The Maternity Benefit Act, 1961.
- o. The Child Labor (Prohibition and Regulation) Act, 1986.
- p. The Industrial Employment (Standing Order) Act, 1946.
- q. The Employee Compensation Act, 1923.
- r. The Apprentices Act, 1961.
- s. The Equal Remuneration Act, 1976.
- t. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- u. The Company has as on the date of this certificate complied with the Due Diligence Report for the half year ended September 2015 as required to be prepared pursuant to RBI Circular - RBI/2008-2009/183/DBOD. No. BP.BC.46/08.12.001 /2008-09 dated 19th September 2008.

For KPRC & Associates  
Company Secretaries  
**CS Pawan G Chandak**  
*Partner*

Place: Pune  
Date: May 12, 2016

M. No. F-6429  
CP. No. 6687

*Annexure D - Secretarial Audit Report***Annexure D** (Contd.)**Annexure to the Secretarial Audit Report**

During the financial year under review, in our opinion and to the best of our information and according to the examinations carried out by us of the documents made available to us and further explanations furnished and representations made to us by the Company, its officers and agents, on which we relied, we report that:

1. As on March 31, 2016, the Statutory Registers as required to be maintained by the Company under the Companies Act, 2013 have been signed and authenticated.
2. The web disclosures required to be made under the provisions of the Companies Act, 2013 and in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the audit period from December 1, 2015 to March 31, 2016, have been complied with as on the date of our certification.
3. There were few procedural lapses in compliance of the Secretarial Standards 1 as issued and notified by The Institute of Company Secretaries of India with effect from July 1, 2015 and few typo errors including mis references were noticed in the minutes maintained by the Company.
4. There were delays in filing certain e – forms during the period under review and certain e – forms were found to have been incorrectly filed during the Financial Year 2015 - 16.
5. Certain errors and printing typos were found in the Corporate Governance Report and the Directors Report which had been reported correctly for Directors Report in the Form MGT – 7 filed for the Financial Year ended on March 31, 2015.
6. There are few Industrial Dispute cases going on against the Company, which we were informed that the Company is contesting legally.

For KPRC & Associates  
Company Secretaries  
**CS Pawan G Chandak**  
*Partner*

Place: Pune  
Date: May 12, 2016

M. No. F-6429  
CP. No. 6687

## Annexure E - Extract of Annual Return

**Annexure E****FORM NO. MGT - 9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	L34101PN1961PLC015735		
(ii)	Registration Date	February 24, 1961		
(iii)	Name of the Company	GABRIEL INDIA LIMITED		
(iv)	Category / Sub-Category of the Company	Auto Ancillary		
(v)	Address of the Registered office and Contact details	29 <sup>TH</sup> MILESTONE, PUNE-NASHIK HIGHWAY, VILLAGE KURULI, TALUKA KHED		
	Address	PUNE		
	Town /City	MAHARASHTRA		
	State	Pin Code	410501	
	Telephone with STD	02135	610793	
		Area Code	Number	
	Fax No.	02135	610796	
	E - Mail Address	secretarial@gabriel.co.in		
(vi)	Whether Listed Company	Yes		
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	KARVY COMPUTERSHARE PVT. LTD.		
	Name of Registrar	Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Gachibowli,		
	Address	HYDERABAD		
	Town /City	TELANGANA		
	State	Pin Code	500 032	
	Telephone with STD	040	67161500/569	
		Area Code	Number	
	Fax No.	040	23420814	
	E - Mail Address	einward@karvy.com		

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Shock Absorber & Struts, Front Forks	3748	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	ASIA INVESTMENTS PVT. LTD. 1 Sri Aurobindo Marg, New Delhi, 110016	U65993MH1966PTC206200	HOLDING	50.06%	Section 2 (46) of Companies Act, 2013

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share holding**

Category of shareholders	No. of shares held at the beginning of the year (01.04.2015)				No. of shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	6,569,900	-	6,569,900	4.57	6,569,900	-	6,569,900	4.57	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	71,905,468	-	71,905,468	50.06	71,905,468	-	71,905,468	50.06	-
(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :	78,475,368	-	78,475,368	54.63	78,475,368	-	78,475,368	54.63	-
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A=A(1)+A(2)	78,475,368	-	78,475,368	54.63	78,475,368	-	78,475,368	54.63	-
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	2,479,842	3,000	2,482,842	1.73	10,105,336	2,000	10,107,336	7.04	5.31
(b) Banks/Financial Institutions	398,786	16,500	415,286	0.29	140,802	17,500	158,302	0.11	(0.18)
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	500	500	0.00	-	500	500	0.00	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	100,000	-	100,000	0.07	50,000	-	50,000	0.03	(0.04)
(g) Foreign Institutional Investors (FII)/Foreign Portfolio Investors (FPI)	4,935,745	7,938,360	12,874,105	8.96	7,588,368	7,938,360	15,526,728	10.81	1.85
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Others (Foreign Nationals)	-	-	-	-	6,400	-	6,400	0.00	0.00
Sub-Total B(1) :	7,914,373	7,958,360	15,872,733	11.05	17,890,906	7,958,360	25,849,266	18.00	6.95

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)

Category of shareholders	No. of shares held at the beginning of the year (01.04.2015)				No. of shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Non-Instituitions									
(a) Bodies Corporate									
i) Indian	4,973,312	30,000	5,003,312	3.48	3,035,660	29,500	3,065,160	2.13	(1.35)
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individuals holding nominal share capital upto Rs1 lakh	23,769,900	3,303,582	27,073,482	18.85	26,424,462	3,148,112	29,572,574	20.59	1.74
(ii) Individuals holding nominal share capital in excess of Rs1 lakh	15,303,858	499,000	15,802,858	11.00	4,749,472	499,000	5,248,472	3.65	(7.35)
(c) Others:									
NBFCs Registered with RBI	-	-	-	-	19,760	-	19,760	0.01	0.01
Clearing Members	179,546	-	179,546	0.12	97,977	-	97,977	0.07	(0.05)
Directors (Excluding Promoter Director)	4,000	-	4,000	0.00	4,000	-	4,000	0.00	-
Non Resident Indians	1,142,699	74,550	1,217,249	0.85	1,215,239	74,230	1,289,469	0.90	0.05
Trusts	15,392	-	15,392	0.01	21,894	-	21,894	0.02	0.01
Sub-Total B(2) :	45,388,707	3,907,132	49,295,839	34.32	35,568,464	3,750,842	39,319,306	27.37	(6.95)
Total Public shareholding (B) = B(1)+B(2) :	53,303,080	11,865,492	65,168,572	45.37	53,459,370	11,709,202	65,168,572	45.37	-
(C) Shares held by custodians for GDR & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C) :</b>	<b>131,778,448</b>	<b>11,865,492</b>	<b>143,643,940</b>	<b>100.00</b>	<b>131,934,738</b>	<b>11,709,202</b>	<b>143,643,940</b>	<b>100.00</b>	<b>-</b>

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (01.04.2015)			Shareholding at the end of the Year (31.03.2016)			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total Shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total Shares	
1	Asia Investments Pvt. Ltd.	719,05,468	50.06	-	719,05,468	50.06	-	Nil
2	Deep C Anand	21,45,786	1.49	-	21,45,786	1.49	-	Nil
3	Kuldip Chand Anand	16,93,196	1.18	-	16,93,196	1.18	-	Nil
4	Kiran J Anand	8,18,760	0.57	-	8,18,760	0.57	-	Nil
5	Anjali Anand	6,41,942	0.45	-	6,41,942	0.45	-	Nil
6	Kiran D Anand	5,99,360	0.42	-	5,99,360	0.42	-	Nil
7	Devika Anand	5,50,236	0.38	-	5,50,236	0.38	-	Nil
8	Prem Anand	1,20,620	0.08	-	1,20,620	0.08	-	Nil
	<b>Total :</b>	<b>784,75,368</b>	<b>54.63</b>	<b>-</b>	<b>784,75,368</b>	<b>54.63</b>	<b>-</b>	<b>Nil</b>

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**iii) Change in Promoters' Shareholding**

Sr. No.		Shareholding at the beginning of the Year (01.04.2015)		Cumulative shareholding during the Year (FY2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Asia Investments Pvt. Ltd.</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	71,905,468 - -	50.06 - -	71,905,468 - 71,905,468	50.06 - 50.06
2	<b>Deep C Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	2,145,786 - -	1.49 - -	2,145,786 - 2,145,786	1.49 - 1.49
3	<b>Kuldip Chand Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	1,693,196 - -	1.18 - -	1,693,196 - 1,693,196	1.18 - 1.18
4	<b>Kiran J Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	818,760 - -	0.57 - -	818,760 - 818,760	0.57 - 0.57
5	<b>Anjali Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	641,942 - -	0.45 - -	641,942 - 641,942	0.45 - 0.45
6	<b>Kiran D Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	599,360 - -	0.42 - -	599,360 - 599,360	0.42 - 0.42
7	<b>Devika Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	550,236 - -	0.38 - -	550,236 - 550,236	0.38 - 0.38
8	<b>Prem Anand</b> At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease At the end of the year	120,620 - -	0.08 - -	120,620 - 120,620	0.08 - 0.08

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name of the shareholder	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the Year (FY2016)					
		No. of Shares at the beginning of the Year (01.04.2015)/ at the end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company				
1	Kayaba Industry Co. Ltd.	7,937,360	5.53	April 01, 2015	Nil	N.A	-	-				
		7,937,360	5.53	March 31, 2016								
2	Anuj AnantrajI Sheth	2,750,000	1.91	April 01, 2015	(1,737,790)	Sale	1,012,210	0.70				
				31/12/2015					(44,761)	Sale	967,449	0.67
				01/01/2016					(158,176)	Sale	809,273	0.56
				08/01/2016								
		809,273	0.56	March 31, 2016								
3	SBI Mutual Fund	2,385,977	1.66	April 01, 2015		Purchase	2,495,977	1.74				
				10/04/2015					110,000	Purchase	2,512,130	1.75
				12/06/2015					16,153	Purchase	4,012,130	2.79
				07/08/2015					1,500,000	Purchase	5,058,285	3.52
				14/08/2015					1,046,155	Purchase	5,257,762	3.66
				21/08/2015					199,477	Purchase	5,912,070	4.12
				28/08/2015					654,308	Purchase	7,012,070	4.88
				11/09/2015					1,100,000	Purchase	7,044,712	4.90
				18/09/2015					32,642	Purchase	7,125,249	4.96
				25/09/2015					80,537	Purchase	7,143,880	4.97
				09/10/2015					18,631	Purchase	7,184,923	5.00
				06/11/2015					41,043	Purchase	7,346,514	5.11
				13/11/2015					161,591	Purchase	7,374,145	5.13
				20/11/2015					27,631	Purchase	7,480,511	5.21
				11/12/2015					106,366	Purchase	7,573,807	5.27
				18/12/2015					93,296	Purchase	7,822,353	5.45
				31/12/2015					248,546	Purchase	7,914,460	5.51
				01/01/2016					92,107	Purchase	8,567,683	5.96
08/01/2016	653,223	Purchase	8,637,345	6.01								
15/01/2016	69,662	Purchase	8,795,844	6.12								
22/01/2016	158,499	Purchase	8,815,076	6.14								
05/02/2016	19,232	Purchase	8,995,844	6.26								
12/02/2016	180,768	Purchase	9,095,844	6.33								
		100,000	Purchase									
		9,095,844	6.33	March 31, 2016								



## Annexure E - Extract of Annual Return

## Annexure E (Contd.)

Sr. No.	Name of the shareholder	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the Year (FY2016)	
		No. of Shares at the beginning of the Year (01.04.2015)/ at the end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Pinebridge Investments GF Mauritius Limited	-	-	April 01, 2015				
				28/08/2015	240,850	Purchase	240,850	0.17
				04/09/2015	279,469	Purchase	520,319	0.36
				11/09/2015	283,833	Purchase	804,152	0.56
				18/09/2015	46,551	Purchase	850,703	0.59
				02/10/2015	8,350	Purchase	859,053	0.60
				22/01/2016	145,720	Purchase	1,004,773	0.70
				19/02/2016	796,142	Purchase	1,800,915	1.25
		1,800,915	1.25	March 31, 2016				
5	Ketu R Mehta	1,400,000	0.97	April 01, 2015				
				10/04/2015	(14,790)	Sale	1,385,210	0.96
				29/05/2015	(1,385,210)	Sale	-	-
		-	-	March 31, 2016				
6	Bajaj Allianz Life Insurance Company Ltd.	1,113,000	0.77	April 01, 2015				
				29/05/2015	14,000	Purchase	1,127,000	0.78
				26/06/2015	5,000	Purchase	1,132,000	0.79
				03/07/2015	35,000	Purchase	1,167,000	0.81
				10/07/2015	6,000	Purchase	1,173,000	0.82
				11/09/2015	(1,173,000)	Sale		
		-	-	March 31, 2016				
7	Diana Dhun Ratnagar	990,894	0.69	April 01, 2015	Nil	N.A	-	-
		990,894	0.69	March 31, 2016				
8	India Opportunities Growth Fund Ltd. - Pinewood STR	-	-	April 01, 2015				
				15/05/2015	759,524	Purchase	759,524	0.53
				07/08/2015	190,476	Purchase	950,000	0.66
		950,000	0.66	March 31, 2016				
9	Gunvantraj Maganlal Shah	784,000	0.55	April 01, 2015				
				08/05/2015	(784,000)	Sale	-	-
		-	-	March 31, 2016				

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)

Sr. No.	Name of the shareholder	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the Year (FY2016)	
		No. of Shares at the beginning of the Year (01.04.2015)/ at the end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
10	Religare Finvest Ltd.	780,446	0.54	April 01, 2015				
				08/05/2015	(650,000)	Sale	130,446	0.09
				15/05/2015	(61,798)	Sale	68,648	0.05
				22/05/2015	(500)	Sale	68,148	0.05
				30/06/2015	(28,148)	Sale	40,000	0.03
				24/07/2015	2,000	Purchase	42,000	0.03
				07/08/2015	250	Purchase	42,250	0.03
				14/08/2015	(250)	Sale	42,000	0.03
				21/08/2015	(800)	Sale	41,200	0.03
				28/08/2015	(1,000)	Sale	40,200	0.03
				25/09/2015	(40,000)	Sale	200	0.00
				20/11/2015	200	Purchase	400	0.00
				31/12/2015	(146)	Sale	254	0.00
				01/01/2016	(54)	Sale	200	0.00
				08/01/2016	400	Purchase	600	0.00
				18/03/2016	200	Purchase	800	0.00
				31/03/2016	(200)	Sale	600	0.00
		600	0.00	March 31, 2016				

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the Year (01.04.2015)		Cumulative Shareholding during the year (FY2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>A. Directors</b>					
1	<b>Mrs. Anjali Singh</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	641,942 - -	0.45 - -	641,942 - 641,942	0.45 - 0.45
2	<b>Mr. Manoj Kolhatkar</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	4,000 - -	0.003 - -	4,000 - 4,000	0.003 - 0.003
3	<b>Mr. Rohit Philip*</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	- - -	- - -	- - -	- - -
4	<b>Mr. Pradipta Sen</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	- - -	- - -	- - -	- - -
5	<b>Mr. Atul Khosla</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	- - -	- - -	- - -	- - -
6	<b>Mr. Aditya Vij</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	- - -	- - -	- - -	- - -
7	<b>Mr. Jagdish Kumar**</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	- - -	- - -	- - -	- - -

\* Mr. Rohit Philip was director upto July 30, 2015

\*\*Mr. Jagdish Kumar is director w.e.f. November 3, 2015

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the Year (01.04.2015)		Cumulative Shareholding during the year (FY2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>B. Key Managerial Personnel (KMPs other than MD/WTD)</b>					
1	<b>Mr. Rajendran Arunachalam</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	-	-	-	-
2	<b>Mr. Pranvesh Tripathi*</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease At the end of the year	-	-	-	-
3	<b>Mr. Nilesh Jain**</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-

\* Mr. Pravesh Tripathi was Company Secretary upto March 19, 2016

\*\* Mr. Nilesh Jain is Company Secretary w.e.f. March 31, 2016

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs in million)

	Secured loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year (1<sup>st</sup> April, 2015)</b>				
(i) Principal Amount	2.85	35.17	94.87	132.89
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	6.52	6.52
Total (i+ii+iii)	2.85	35.17	101.39	139.41
<b>Change in Indebtedness during the financial year</b>				
i) Addition		17.77	-	17.77
ii) Reduction	(1.70)	(0.65)	42.51	40.16
Net Change	(1.70)	17.12	42.51	57.93
<b>Indebtedness at the end of the Financial year (31<sup>st</sup> March, 2016)</b>				
(i) Principal Amount	1.15	52.29	55.88	109.32
(ii) Interest due but not paid			3.00	3.00
(iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1.15</b>	<b>52.29</b>	<b>58.88</b>	<b>112.32</b>

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole - time Directors and / or Manager :**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs in million)
		Mr. Manoj Kolhatkar	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income -Tax Act,1961 (b) Value of perquisites u/s 17(2) Income -Tax Act,1961 (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961		22.48 0.04 -
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - other		- -
5	Others		-
	Total		22.53
	Ceiling as per the Act		49.05

**B. Remuneration to others Directors**

(Rs in million)

Sr. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. Pradipta Sen	Mr. Atul Khosla	Mr. Aditya Vij	Mrs. Anjali Singh	Mr. Arun Kumar Jaura*	Mr. Gurdeep Singh*	Mr. H.R. Prasad*	Mr. Rohit Philip	Mr. Jagdish Kumar	
1	<b>Independent Directors</b>										
	(a) Fees for attending board / committee meetings	0.06	0.09	0.07							0.22
	(b) Commission	0.65	0.60	0.10		0.75	0.55	0.65			3.30
	(c) Other										
	Total (1)	0.71	0.69	0.17	-	0.75	0.55	0.65	-	-	3.52
2	<b>Other Non-Executive Directors</b>										
	(a) Fee for attending board committee meetings										
	(b) Commission				5.40						5.40
	(c) Other										
	Total (2)	-	-	-	5.40	-	-	-	-	-	5.40
	<b>Total (1+2)</b>	0.71	0.69	0.17	5.40	0.75	0.55	0.65	-	-	8.92
	Total Remuneration (Commission)										8.70
	Commission ceiling limit - 1% of Net profits										8.73

\* were director in the previous year

## Annexure E - Extract of Annual Return

**Annexure E** (Contd.)**C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Rajendran Arunachalam - Chief Financial Officer	Mr. Pranvesh Tripathi - Company Secretary (upto March 19, 2016)	Mr. Nilesh Jain - Company Secretary (w.e.f. March 31, 2016)	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income -Tax Act,1961	5.81	1.88	0.005	7.69
	b) Value of perquisites u/s 17(2) Income -Tax Act,1961	0.40	-	-	0.40
	c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other	-	-	-	-
5	Others	-	-	-	-
	Total	6.21	1.88	0.005	8.09

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give details)
A.	<b>Company</b> (i) Penalty (ii) Punishment (iii) Compounding					
B.	<b>Directors</b> (i) Penalty (ii) Punishment (iii) Compounding			NIL		
C.	<b>Other Officers in default</b> (i) Penalty (ii) Punishment (iii) Compounding					

Place: New Delhi  
Date: May 20, 2016

For and on behalf of the Board  
**Anjali Singh**  
Chairperson  
(DIN 02082840)

## Annexure F

## Annexure F

## Details pertaining to remuneration pursuant to Section 197(12) of the Companies Act, 2013 with Rules thereunder

Sr. No.	Details of disclosure	Remark
a	Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year. (The remuneration of the Managing Director has been considered for the calculation)	1 : 79
b	Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the financial year : A. Mr. Manoj Kolhatkar - Managing Director B. Mr. Rajendran Arunachalam - Chief Financial Officer C. Mr. Pranvesh Tripathi - Company Secretary D. Mr. Nilesh Jain - Company Secretary	62% 29% NIL NA
c	Percentage increase in median remuneration of employees in the financial year	NIL
d	Number of permanent employees on the rolls of the Company	1792
e	Explanation on the relationship between average increase in remuneration and company performance	The increment of employees depends on criterias like Individual Performance, Company Performance and Industry trend. Senior Management's annual incentives depend on achieving Company's performance targets.
f	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The annual incentives of the Key Managerial Personnel depends on their performance for achieving the targets of the Company
g	(1) Variations in the Market Capitalisation of the Company and price earnings ratio as at the closing date of the current financial year and the previous financial year and  (2) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer	(1) The market capitalisation of the Company as on March 31, 2016 was Rs 1287.77 million (Rs 1233.90 million as on March 31, 2015) and the Price Earnings Ratio of the Company as at March 31, 2016 was 17.12 and as at March 31, 2015 was 20.56.  (2) The market quotations of shares of the Company as on March 31, 2016 was Rs 89.65 (face value Re 1 per share). The last public offer made by the Company was at face value of Rs 10 per share.
h	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the Percentile increase in the managerial remuneration and justification thereof pointing out any exceptional circumstances for the increase in the managerial remuneration	The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 10%. The increase in the managerial remuneration in the last year was 51%. Senior Management's annual incentives depend on achieving Company's performance targets.
i	The key parameters for any variable component of remuneration availed by directors	The key Parameters for variable component carries weightage - KRAs (50 %) & Company performance (50 %)
j	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of highest paid director during the year	NA
k	Affirmation that the remuneration paid is as per the remuneration policy of the company	Yes

# Corporate Governance Report

## 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 signed with Stock Exchange and Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations, 2015') 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 and Regulations, vide this report. Your Company has entered into fresh Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during February 2016.

## 2. Board of Directors

### Composition

The strength of the Board of Directors as on March 31, 2016 was 6 Directors. The Board comprises of one Executive Director designated as Managing Director. The rest are Non-Executive Directors. The Board meets the requirement of not less than half of the Board being Independent Directors, the Chairperson being a promoter Director.

Five Board meetings were held during the financial year 2015-16, details of which are as under:

Dates of Meetings	Board Strength	No. of Directors present
May 20, 2015	6	6
July 30, 2015	6	4
November 3, 2015	6	6
January 29, 2016	6	6
March 31, 2016	6	6

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

The composition of Board of Directors and attendance of Directors 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:

Name of the Director	DIN Number	Details		Attendance Particulars		No. of other Directorships and Committee Memberships /Chairmanships held in Public Limited Companies		
		Category	Shares held as on March 31, 2016	Board Meeting	Last AGM	Directorships	Committee Memberships#	Committee Chairmanships#
Mrs. Anjali Singh	02082840	Promoter and N.E.C.	641,942	5	Yes	Nil	Nil	Nil
Mr. Manoj Kolhatkar	03553983	E.D.	4,000	5	Yes	Nil	Nil	Nil
Mr. Rohit Philip*	06625425	N.E.D.	0	1	No	Nil	Nil	Nil
Mr. Pradipta Sen	00051758	I.N.E.D.	0	4	No	Nil	Nil	Nil
Mr. Atul Khosla	02674215	I.N.E.D.	0	5	Yes	Nil	Nil	Nil
Mr. Aditya Vij	03200194	I.N.E.D.	0	5	Yes	1	1	Nil
Mr. Jagdish Kumar**	00318558	N.E.D.	0	3	N.A	Nil	Nil	Nil



# Corporate Governance Report (Contd.)

N.E.C.: Non- Executive Chairperson; E.D.: Executive Director; N.E.D: Non-Executive Director; I.N.E.D : Independent Non-Executive Director

# For the purpose of ascertaining membership and chairmanship only Audit committee and Stakeholder relationship committee were considered.

\* Mr. Rohit Philip was director upto July 30, 2015.

\*\* Mr. Jagdish Kumar was appointed as an Additional Non-Executive Director w.e.f November 3, 2015.

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.

The Details of Familiarization programmes imparted to Independent Directors is available on the web link <http://www.gabrielindia.com/investors/details-familiarization-programmes.aspx>.

### 3. Code of Conduct

The Board has laid down the Gabriel Additional Code of Conduct for Board Members and Senior Management of the Company, which also includes the duties of Independent directors.

The said Code of Conduct has been posted on the website of the Company and is available on the web link at <http://www.gabrielindia.com/investors/corporate-governance.aspx>.

All Board members and Senior Management Personnel have affirmed compliance with the said code.

A declaration to this effect signed by the Managing Director is enclosed as **Appendix I**.

### 4. Audit Committee

During the financial year 2015-16, the Audit Committee was re-constituted on November 3, 2015.

Audit Committee met four times during the financial year 2015-16 on May 20, 2015, July 30, 2015, November 3, 2015 and January 29, 2016.

The composition of Audit Committee as on March 31, 2016 and attendance at its meetings is given hereunder:

Name	Chairman / Member	No. of meeting(s) attended
Mr. Atul Khosla	Chairman	4
Mr. Pradipta Sen	Member	3
Mr. Rohit Philip*	Member	1
Mr. Aditya Vij\$	Member	1
Mr. Jagdish Kumar#	Member	2

\* Mr. Rohit Philip was a member upto July 30, 2015.

\$ Mr. Aditya Vij was appointed as a member of the committee for the meeting held on July 30, 2015 to meet the minimum quorum requirement.

# Mr. Jagdish Kumar was appointed as an Additional Non-Executive Director and the member of the Committee w.e.f. November 3, 2015.

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

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

# Corporate Governance Report (Contd.)

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

- (1) Review the recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (2) Review and monitor the auditors' independence and performance and effectiveness of audit process.
- (3) Examination of the financial statement and the auditors' report thereon.
- (4) Approval or any subsequent modification of transaction of the Company with related parties.
- (5) Security of inter- corporate loan and investments.
- (6) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (7) Evaluation of inter financial controls and risk management systems.
- (8) Monitoring the end use of funds raised through public offer and related matters.

## 5. Nomination and Remuneration Committee:

During the financial year 2015-16, the Nomination and Remuneration Committee was re-constituted on November 3, 2015.

The Committee met four times during the financial year 2015-16 on May 20, 2015, November 3, 2015, January 29, 2016 and March 31, 2016.

The composition of the Nomination and Remuneration Committee as on 31.03.2016 is as follows:

Name	Chairman / Member	No. of meeting(s) attended
Mr. Pradipta Sen	Chairman	4
Mrs. Anjali Singh	Member	4
Mr. Aditya Vij	Member	4
Mr. Rohit Philip*	Member	1
Mr. Jagdish Kumar#	Member	2

\* Mr. Rohit Philip was member upto July 30, 2015.

# Mr. Jagdish Kumar was appointed as an Additional Non-Executive Director and the member of the Committee w.e.f. November 3, 2015.

The Chairman of the Committee, Mr. Pradipta Sen is a Non-Executive Independent Director.

The terms of reference of the Nomination and Remuneration Committee are disclosed under objectives of Remuneration Policy forming part of this Report.

### Performance Evaluation criteria:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement / SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, of its committees and the Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's and its committee's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Individual directors were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairperson and the Non Independent Directors was carried out by the Independent Directors who also reviewed and evaluated the flow of information between the Company Management and the Board of the Company. The Directors expressed their satisfaction with the evaluation process.

# Corporate Governance Report (Contd.)

Performance evaluation criteria for Independent directors, inter alia, includes the following:

- Ability to contribute to and monitor Company's corporate governance practices.
- Active participation in strategic planning.
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities these include participation in Board and committee meetings.

## 6. Remuneration of Directors

### (A) All pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company

Details of the commission and sitting fees paid to Non-Executive Directors during the financial year 2015-16 are given below:-

(Rs in million)		
Name of Directors	Commission for the financial year ended March 31, 2015, paid during the year under review	Sitting Fees
Mrs. Anjali Singh	5.40	NA
Mr. Atul Khosla	0.60	0.09
Mr. Pradipta Sen	0.65	0.06
Mr. Aditya Vij	0.10	0.07
Mr. Jagdish Kumar	NA	NA
Mr. HR Prasad*	0.65	NA
Mr. Gurdeep Singh*	0.55	NA
Dr. Arun Kumar Jaura**	0.75	NA

\* Mr. H.R. Prasad and Mr. Gurdeep Singh were Director upto September 18, 2014.

\*\* Dr. Arun Kumar Jaura was Director upto January 30, 2015.

Sitting fee indicated above also includes payment for Board level committee meetings.

### (B) Criteria of making payments to Non-Executive Directors

The criteria of making payments to Non-Executive Directors is covered hereunder in Remuneration policy.

### (C) Remuneration Policy:

The Board has approved the Nomination and Remuneration Policy in the meeting held on March 31, 2015, in compliances with Section 178 of the Companies Act, 2013 read along with Rules thereto and Clause 49 of the Listing Agreement and amended the same in its meeting held on November 3, 2015. This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel ('KMP') and members of Senior Management has been formulated by the Nomination and Remuneration Committee. This Policy includes the objective, role of the Committee, appointment and removal of Director, KMP and Senior Management and evaluation criteria of Directors, Independent Directors.

The objective of the policy is:

- To guide the Board in relation to appointment of Directors, KMP and members of Senior Management.
- To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, KMP and employees in the Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board to see that relationship of remuneration to performance is clear and meets appropriate benchmarks.

# Corporate Governance Report (Contd.)

- (iv) To recommend to the Board on remuneration payable to the Directors, KMP and Senior Management, the level and composition of remuneration being reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management required to run the Company successfully.
- (v) To formulate criteria for evaluation of Independent Directors and the Board.
- (vi) To devise a Policy on Board diversity.

The policy defines the Manner of remuneration to Director/KMP/Senior Management as given below:

1. Remuneration to Managing Director / Whole-time Directors:
  - (a) The remuneration/ commission etc. to be paid to Managing Director / Whole-time Directors etc. shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force and the approvals obtained from the members of the Company, if required.
  - (b) The total remuneration payable to Managing Director shall not exceed the limits prescribed under Section 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the remuneration shall consist of fixed pay and Management incentive bonus pay and in accordance with the Company's Policy and HR Manuals and to be given or increased within the above said limits annually or at such intervals as may be considered appropriate.
2. Remuneration to Non- Executive / Independent Directors:
  - (a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013.
  - (b) The Non-Executive/ Independent Directors may also be paid commission as decided by the Board of Directors and subject to approval of the shareholders if required within an aggregate limit of 1% of the Net profit of the Company for a particular financial year.
  - (c) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and Rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
  - (d) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
3. Remuneration to Key Managerial Personnel and Senior Management:
  - (a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy and HR Manuals.
  - (b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to Pension Fund, Pension Schemes, etc. as decided from time to time.
  - (c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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

# Corporate Governance Report (Contd.)

## (D) Disclosures with respect to remuneration

Name of the Director / KMP	Category / Designation	All elements of remuneration package i.e. salary benefits, bonuses, pension, etc.	Fixed component and performance linked incentives along with the performance criteria	Service contracts period, notice severance fees	Stock option with details, if any and issued at discount as well as the period over which accrued and over which exercisable
Mr. Manoj Kolhatkar	Managing Director	22.53	--	--	--

Salary includes Basic, HRA, Conveyance, Special Allowances, other allowances and Perquisites.

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

## 7. Stakeholders' Relationship Committee

During the financial year 2015-16, the Stakeholders' Relationship Committee was re-constituted on November 3, 2015.

The Committee met four times during the financial year 2015-16 on May 20, 2015, July 30, 2015, November 3, 2015 and January 29, 2016.

The composition of Stakeholders' Relationship Committee and attendance at its meeting is given hereunder:

Name	Chairman / Member	No. of meeting(s) attended
Mr. Atul Khosla	Chairman	4
Mr. Aditya Vij	Member	4
Mr. Rohit Philip*	Member	1
Mr. Jagdish Kumar	Member	2

\* Mr. Rohit Philip was a member upto July 30, 2015

The broad terms of reference of Stakeholders' Relationship Committee is to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Details of complaints/requests for action (such as change of address, revalidation of warrants, etc.) received from Shareholders/Investors are as under:

Number of complaints/ requests received during the financial year	203
Number of complaints/ requests resolved to the satisfaction of complainant	203
Number of complaints/ requests not resolved to the satisfaction of complainant	Nil
Number of complaints/ requests pending	Nil

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

Mr. Pranvesh Tripathi, Company Secretary was the compliance officer upto March 19, 2016.

Mr. Nilesh Jain, Company Secretary was appointed as Compliance officer w.e.f. March 31, 2016.

## 8. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) of the Board met four times during the financial year 2015-16 on May 20, 2015, July 30, 2015, November 3, 2015 and January 29, 2016.

# Corporate Governance Report (Contd.)

All Corporate Social Responsibility activities are being routed through the Corporate Social Responsibility Policy under the guidance of the CSR Committee.

The detailed Policy is also posted on the website of the Company. The composition of CSR Committee is given hereunder:

Name	Chairman / Member	No. of meetings attended
Mrs. Anjali Singh	Chairperson	4
Mr. Manoj Kolhatkar	Member	4
Mr. Atul Khosla	Member	4

Terms of reference of CSR Committee are:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

## 9. Independent Director's Meeting

During the year under review, the Independent Directors met on March 31, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and Board of Directors as a whole.
- Evaluation of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors.
- Evaluation of quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## 10. General Body Meetings

(a) Location and Time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2014-15	July 30, 2015	2.30 p.m.	29 <sup>th</sup> Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501
2013-14	August 08, 2014	2.30 p.m.	29 <sup>th</sup> Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501
2012-13	August 12, 2013	2.30 p.m.	29 <sup>th</sup> Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501

(b) Special Resolutions passed in the previous three Annual General Meetings :

During the last three financial years, special resolutions were passed only in the Annual General Meeting held on August 8, 2014, for following matters.

- Approval of payment of commission to Non-Executive Directors at a rate upto one percent of the net profits of the Company in each year for a period of five years commencing from the financial year starting from April 1, 2014.
- Approval accorded to the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 and the applicable Rules, for borrowings not exceeding the limit of Rs 5000 million.
- Approval accorded to the Board of Directors of the Company under section 73 and 76 and other applicable provision, if any of the Companies Act, 2013 and the Companies (Acceptance and Deposits) Rules, 2014 to invite and accept fixed deposits from the public and Members, within limits prescribed in the Companies Act, 2013.

# Corporate Governance Report (Contd.)

## (c) Postal Ballot :

No special resolution was passed last year through Postal Ballot. The Company is not proposing passing of any special resolution through postal ballot in the ensuing Annual General Meeting.

## 11. Means of Communication

(i) Quarterly Results	Published in the English and Marathi newspaper every quarter
(ii) Newspapers wherein results normally published	a) The Business Standard b) Loksatta
(iii) Any Website, where displayed	<a href="http://www.gabrielindia.com">www.gabrielindia.com</a>
(iv) Whether it also displays official news release	Yes
(v) The presentation made to institutional investors or to the analysts	The presentations are available on the website of the company

## 12. General Shareholder Information

- (i) AGM date, time and venue : July 29, 2016 at 2.30 p.m. at the Auditorium, Gabriel India Ltd., 29<sup>th</sup> Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune – 410501.
- (ii) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March.
- (iii) Date of Book Closure : July 23, 2016 to July 29, 2016 (both days inclusive)
- (iv) Dividend payment date : On or before August 27, 2016
- (v) Listing on Stock Exchange and Stock Code

- |  |  |
|--|--|
| 1. BSE Limited<br>25 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street,<br>Mumbai – 400 001 | 2. The National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (E), Mumbai – 400 051 |
| Stock code: 505714   | Stock code : GABRIEL   |

The Company is regular in payment of Listing fee to BSE Limited and The National Stock Exchange of India Limited.

The ISIN Number of the Company is INE524A01029.

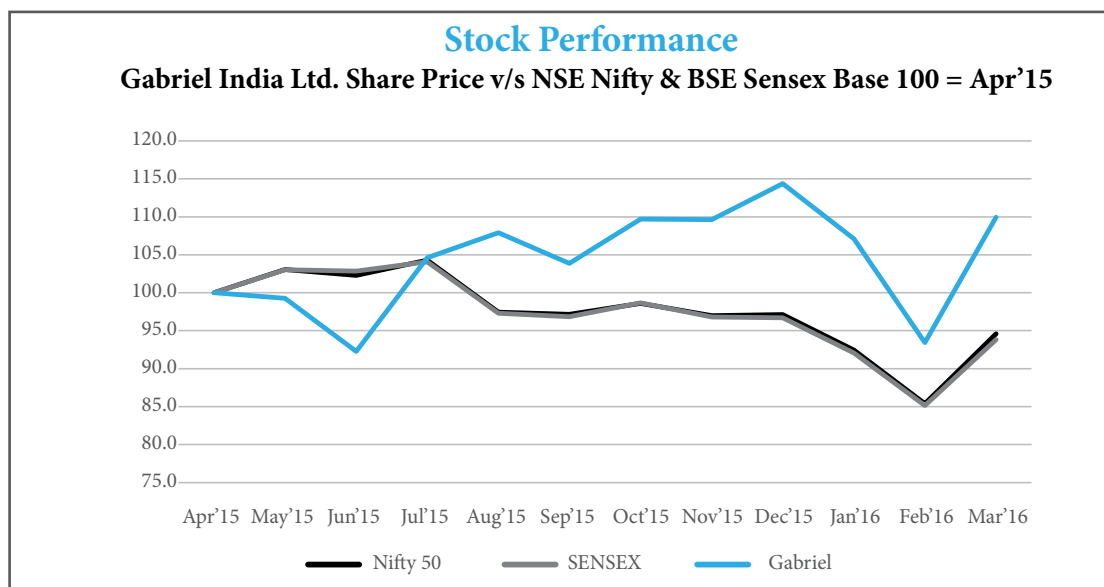
- (vi) Market Price Data: High, Low during each month in last financial year

High/Low market price of the Company's shares traded on the BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai during the financial year 2015-16 is furnished below.

Financial Year 2015-16	BSE Limited			The National Stock Exchange of India Limited		
	High	Low	Closing	High	Low	Closing
Apr - 2015	94.75	76.00	81.45	94.80	76.05	81.25
May - 2015	89.00	77.15	80.85	88.80	76.10	80.60
Jun - 2015	87.20	72.00	75.15	87.00	73.00	75.65
July - 2015	87.60	74.55	85.20	88.00	75.10	85.40
Aug - 2015	98.40	80.35	87.90	98.30	81.20	88.15
Sep - 2015	87.70	79.70	84.60	87.80	79.45	84.75
Oct - 2015	100.80	83.25	89.35	100.85	83.50	89.45
Nov - 2015	92.40	83.10	89.30	92.40	83.10	89.45
Dec - 2015	99.00	84.00	99.00	99.65	83.55	99.05
Jan - 2016	101.85	80.30	87.25	101.45	80.00	87.10
Feb - 2016	90.50	75.15	76.10	90.80	75.00	75.80
Mar - 2016	94.00	76.50	89.55	93.95	75.80	89.10

# Corporate Governance Report (Contd.)

(vii) Performance in comparison to broad –based indices such as BSE Sensex, Nifty, etc.,



- (viii) Registrar and Transfer Agent : M/s Karvy Computershare Pvt. Ltd. (Unit - Gabriel India Limited)  
Karvy Selenium Tower B, Plot number 31 & 32, Financial District,  
Gachibowli, Hyderabad 500 032
- (ix) Share Transfer System : All the requests for transfer of shares are processed by Registrar and Transfer Agent and are approved by Authorised officials of the Company in one- two weeks time.
- (x) Distribution of Shareholding

Distribution of Shareholding as on 31.03.2016

No. of shares	No. of shareholders	% shareholders	Total no. of shares held	% holding
Upto 5000	54,375	98.42	18,807,342	13.09
5,001 to 10,000	463	0.84	3,427,978	2.39
10,001 to 100,000	340	0.62	9,389,734	6.54
100,001 and above	66	0.12	112,018,886	77.98
<b>Total</b>	<b>55,244</b>	<b>100.00</b>	<b>143,643,940</b>	<b>100.00</b>

Shareholding pattern as on 31.03.2016

Sr. No.	Description	No. of shares	% of shareholding
1	Indian Promoters	78,475,368	54.63
2	Insurance Companies & Banks	159,651	0.11
3	Mutual Funds & UTI	10,108,336	7.04
4	FII's & NRIS	16,822,597	11.71
5	Domestic Companies	3,065,160	2.14
6	Resident Individuals	34,821,046	24.24
7	Others	191,782	0.13
<b>TOTAL</b>		<b>143,643,940</b>	<b>100.00</b>



# Corporate Governance Report (Contd.)

(xi) Dematerialization of Shares and Liquidity

The Company's shares are available for trading in the depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on March 31, 2016, the total shares dematerialized were 131,934,738 in both depositories accounting for 91.85% of the share capital of the Company.

(xii) Outstanding GDRs/ADRs/Warrants or any : Not issued

(xiii) Plant Locations :

The Company's Plants are located at Pune, Nashik, Dewas, Hosur, Khandsa, Parwanoo, Sanand, Malur and Aurangabad.

(xiv) Address for Correspondence

Shareholders correspondence and investor grievances should be addressed to the Registrar and Transfer Agent at the address given above or can be emailed to [secretarial@gabriel.co.in](mailto:secretarial@gabriel.co.in) or be sent to following address of the Registered Office of the Company:

Gabriel India Limited  
29<sup>th</sup> Milestone, Pune - Nashik Highway,  
Village Kuruli, Taluka Khed, Pune - 410501

## 13. Disclosures

(i) **Related Party Transaction**

None of the transactions with any of the related parties were in conflict with the interests of the Company at large during the FY2016.

The Company has formulated a Policy on Related Party Transactions and also on dealing with Material Related Party Transactions. The said Policy is also available on the website of the Company.

web link : <http://www.gabrielindia.com/investors/corporate-governance.aspx>

(ii) **Strictures and Penalties**

Details of non-compliance by the Company, penalties and 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

(iii) **Whistle Blower Policy or Vigil Mechanism**

The Company has a Whistle Blower Policy as required by the Listing Agreement and SEBI (LODR) Regulations, 2015. The Policy is available on the website of the Company at web link: <http://www.gabrielindia.com/investors/corporate-governance.aspx>

The Company has established the necessary mechanism in line with Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015 for the employees to report concerns about unethical behavior.

No person has been denied access to the Audit Committee.

# Corporate Governance Report (Contd.)

**(iv) The Company has complied with mandatory requirements under Listing Agreement / SEBI (LODR) Regulations, 2015.**

Disclosure with regard to discretionary requirements as specified in Part E of Schedule II to the SEBI (LODR) Regulations, 2015 is as under:

	Discretionary Requirement	Discretionary Requirement - to the extent adopted
a	The Board : A Non-Executive Chairperson may be entitled to maintain a chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties	The Non-Executive Chairperson does not maintain a separate office for the Company. Expenses incurred by the Chairperson on official duties for the Company are met / reimbursed by the Company.
b	Shareholder Rights : A half yearly declaration of Financial performance including summary of the significant events in last six months may be sent to each household of shareholders	As the half yearly 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 newspapers as aforesaid and also communicated to the shareholders through the Annual Report.
c	Modified opinion(s) in audit report	The Company is in the regime of unqualified financial Statements.
d	Separate posts of Chairperson and Chief Executive Officer	The Company has appointed separate persons to the post of Chairperson and Managing Director.
e	Reporting of Internal Auditor	Internal Auditors report directly to the Audit Committee of the Company.

**(v) Secretarial Audit**

Pursuant to Section 204 of the Companies Act, 2013 the Company has appointed M/s. KPRC & Associates, Pune, Company Secretaries in Practice to conduct an independent Secretarial Audit of the Company for the Financial Year 2015-16. The detailed Secretarial Audit Report forms part of the Board of Directors' Report.

**(vi) Risk Management and Risk Management Committee**

The Board has approved the Risk Management Policy in the meeting held on May 14, 2014. The Company has laid down the process of Risk Management and Assessment procedure which is periodically reviewed by the Board Members. The Company has formed internal management committee chaired by the Chief Financial Officer of the Company to review and identify the risks and work with the Risk Management Committee towards mitigation of the risks.

The objective of the Policy are given below:

- Inculcating a risk culture into the mindsets of the organization;
- Enhance awareness of managing risks across the organization;
- To have a continuous process of identifying pertinent risk in the changing environment;
- To have mitigation measures closely monitored and implemented

**14. CEO/ CFO Certification**

The Managing Director and the Chief Financial Officer have issued certificate pursuant to the provision of Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**15. Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are given under Notice to the Annual General Meeting.**

Place: New Delhi  
Date: May 20, 2016

For and on behalf of the Board  
**Anjali Singh**  
Chairperson  
(DIN 02082840)

# Appendix I

## Declaration regarding compliance by Board Members 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 and Senior Management Personnel have received, read and understood the Code of Conduct for Board Members and Senior Management of the Company;
  - ii. All the Directors/Senior Management Personnel 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 respectively;
  - iii. Since the date of appointment as a Director / Senior Management Personnel of the Company, all the Directors/Senior Management Personnel, have affirmed compliance with the provisions of the Code of Conduct which were adopted by the Company;
  - iv. Directors and Senior Management Personnel were not a party to any non-compliance with the said Code.

Place : New Delhi  
Date : May 20, 2016

**Manoj Kolhatkar**  
*Managing Director*

# 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, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per Regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities and Exchange Boards of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the 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 / Listing Regulations, as applicable.

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  
Firm Registration Number: 105102W

**Naresh Kumar Kataria**  
Partner  
Membership Number 037625

Place: New Delhi  
Dated: May 20, 2016

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## CEO / CFO Certification

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

- (A) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief :
  - i. These statements do not contain any materially 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 said financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems 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 March 31, 2016;
  - ii. There has not been any significant changes in accounting policies during the year ended March 31, 2016 requiring disclosure in the notes to the financial statements; and
  - iii. There has not been any instance of significant fraud during the year ended March 31, 2016.

Place: New Delhi  
Date : May 20, 2016

**Manoj Kolhatkar**  
Managing Director

**Rajendran Arunachalam**  
Chief Financial Officer

# Independent Auditors' Report

## TO THE MEMBERS OF GABRIEL INDIA LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Gabriel India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 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 "I" statement on the matters specified in paragraphs 3 and 4 of the Order.

*Independent Auditors' Report***Independent Auditors' Report** (Contd.)**10. As required by Section 143 (3) of the Act, we report that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report as per Annexure II.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i The Company has disclosed the impact, of pending litigations as at March 31, 2016, on its financial position in its financial statements – Refer Note “27” to the financial statements;
  - ii. The Company has no long term contracts including derivative contracts as at March 31, 2016 for which there are no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **B K Khare & Co**  
*Chartered Accountants*  
Firm Registration Number: 105102W

Place: New Delhi  
Dated: May 20, 2016

**Naresh Kumar Kataria**  
*Partner*  
Membership Number 037625

*Annexure I to Independent Auditors' Report*

# Annexure I to Independent Auditors' Report

as referred to in paragraph 9 of the even date to the members of Gabriel India Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Schedule 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records been appropriately dealt with in the books of accounts. In our opinion the frequency of verification is reasonable
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, 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 on the Company in respect of the aforesaid deposits.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have not, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	29.29	FY 2011-2013	Appellate Authority - Up to Commissioners / Revisional Authorities level
		12.26	FY 2001-2002	High Court
	TDS	21.35	FY 2008-2016	Income Tax Officer
Sales Tax and Value Added Tax Laws	Sales Tax & VAT	82.35	FY 2003-2014	Appellate Authority - Up to Commissioners / Revisional Authorities level
		5.21	FY 2005-2008	Appellate Authority - Tribunal
	Entry Tax	20.88	FY 2012-2016	High Court

## Annexure I to Independent Auditors' Report

# Annexure I to Independent Auditors' Report (Contd.)

as referred to in paragraph 9 of the even date to the members of Gabriel India Limited on the financial statements as of and for the year ended March 31, 2016

Name of the Statute	Nature of the dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act 1944	Excise Duty	2.69	FY 2010-2011	Appellate Authority - Up to Commissioners / Revisional Authorities level
		43.37	FY 2003-2007	Appellate Authority - Tribunal
Service Tax Act 1944	Service Tax	16.72	FY 2004-2014	Appellate Authority - Up to Commissioners / Revisional Authorities level
		12.47	FY 2007-2011	Appellate Authority - Tribunal

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **B K Khare & Co**  
Chartered Accountants  
Firm Registration Number: 105102W

Place: New Delhi  
Dated: May 20, 2016

**Naresh Kumar Kataria**  
Partner  
Membership Number 037625



# **Annexure II to the Independent Auditors' Report**

## **of even date on the financial statements of Gabriel India Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gabriel India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

*Annexure II to Independent Auditors' Report*

# **Annexure II to the Independent Auditors' Report** (Contd.)

of even date on the financial statements of Gabriel India Limited

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI

For **B K Khare & Co**  
*Chartered Accountants*  
Firm Registration Number: 105102W

Place: New Delhi  
Dated: May 20, 2016

**Naresh Kumar Kataria**  
*Partner*  
Membership Number 037625

## Balance Sheet

# Balance Sheet

## as at 31st March 2016

(Rs in million)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	143.67	143.67
Reserves and surplus	3	3,655.59	3,110.67
		3,799.26	3,254.34
<b>Non-current liabilities</b>			
Long term borrowings	4	80.61	61.49
Deferred tax liabilities (net)	5	104.33	104.91
Long-term provisions	6	92.26	93.10
		277.20	259.50
<b>Current liabilities</b>			
Trade payables	7		
Total outstanding due to micro enterprises and small enterprises (Refer Note 29)		31.92	3.17
Total outstanding due to creditors other than micro enterprises and small enterprises		1,749.00	1,904.09
		1,780.92	1,907.26
Other current liabilities	8	496.98	452.55
Short-term provisions	9	362.06	314.59
		2,639.96	2,674.40
<b>Total</b>		<b>6,716.42</b>	<b>6,188.24</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		2,673.58	2,655.36
Intangible assets		50.79	21.28
Capital work-in-progress		22.10	30.97
		2,746.47	2,707.61
Non-current investments	11	0.23	0.23
Long-term loans and advances	12	236.05	226.39
Other non-current assets	13	14.10	24.00
		2,996.85	2,958.23
<b>Current assets</b>			
Inventories	14	1,107.41	1,121.40
Trade receivables	15	1,923.73	1,747.77
Cash and bank balances	16	362.43	38.85
Short-term loans and advances	17	290.16	308.75
Other current assets	18	35.84	13.24
		3,719.57	3,230.01
<b>Total</b>		<b>6,716.42</b>	<b>6,188.24</b>
Significant Accounting Policies and Notes to Accounts	1 27-46		

In terms of our report attached.

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

**Naresh Kumar Kataria**  
Partner  
Membership No.:- 037825

Place : New Delhi  
Date : May 20, 2016

For and on behalf of the Board of Directors

**Anjali Singh**  
Chairperson

**Manoj Kolhatkar**  
Managing Director

**Rajendran A.**  
V.P. Finance & CFO

**Nilesh Jain**  
Company Secretary

## Statement of Profit and Loss

# Statement of Profit and Loss

## for the year ended 31st March, 2016

(Rs in million)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Revenue from Operations</b>			
Gross Sales	19	15,764.64	15,802.43
Less: Excise duty		1,500.46	1,504.03
Net Sales		14,264.18	14,298.40
Other Operating Income	20	118.13	142.58
<b>Revenue from operations (net)</b>		<b>14,382.31</b>	<b>14,440.98</b>
Other income	21	42.10	39.88
<b>Total Revenue</b>		<b>14,424.41</b>	<b>14,480.86</b>
<b>Expenses</b>			
Cost of materials consumed	22a	10,162.36	10,321.39
Purchases of stock-in-trade	22b	133.02	100.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade (increase)/decrease	22c	(12.89)	12.00
Employee benefits expense	23	1,150.35	1,077.00
Finance costs	24	24.83	54.80
Depreciation, amortisation and impairment		331.86	311.32
Other expenses	25	1,673.95	1,762.22
<b>Total expenses</b>		<b>13,463.48</b>	<b>13,639.38</b>
Profit before exceptional items and tax		960.93	841.48
Exceptional items - (Income) / Expense	26	6.00	6.00
<b>Profit before tax</b>		<b>954.93</b>	<b>835.48</b>
<b>Tax expense:</b>			
Current tax		204.71	207.90
Deferred tax /(credit)		4.90	(14.47)
		209.61	193.43
Tax expense (credit) relating to prior years		(1.58)	9.44
Deffered tax expense (credit) relating to prior years		(5.48)	32.37
		(7.06)	41.81
		202.55	235.24
<b>Profit from continuing operations</b>		<b>752.38</b>	<b>600.24</b>
<b>Profit for the year</b>		<b>752.38</b>	<b>600.24</b>
<b>Earnings per share (of Re 1/- each):</b>	36		
Basic / Diluted (Rs.)		5.24	4.18
Paid up value per share (Re.)		1.00	1.00
Significant Accounting Policies and Notes to Accounts	1 27-46		

In terms of our report attached.

For **B.K. Khare & Co.**

Chartered Accountants

Firm Registration Number : 105102W

**Naresh Kumar Kataria**

Partner

Membership No.:- 037825

Place : New Delhi

Date : May 20, 2016

For and on behalf of the Board of Directors

**Anjali Singh**

Chairperson

**Manoj Kolhatkar**

Managing Director

**Rajendran A.**

V.P. Finance &amp; CFO

**Nilesh Jain**

Company Secretary

## Cash Flow Statement

# Cash Flow Statement

## for the year ended 31st March, 2016

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. Cash flow from operating activities:</b>		
Net Profit before tax	954.93	835.48
Adjustments for:		
Depreciation and amortisation and impairment	331.86	311.32
(Profit) / Loss from sale of assets	(2.01)	0.95
Finance costs	24.83	54.80
Interest income	(10.15)	(7.52)
Dividend income	(0.02)	(0.07)
Operating profit / (loss) before working capital changes	1,299.44	1,194.96
Changes in working capital:		
Inventories	21.63	41.06
Trade Receivables	(179.73)	(394.46)
Loans and advances	24.56	(55.93)
Other Current Assets	(19.83)	(2.73)
Other Provisions	16.84	52.52
Trade payables and Other Liabilities	(37.79)	384.44
<b>Cash generated from operations</b>	<b>1,125.12</b>	<b>1,219.86</b>
Net income tax (paid) / refunds	(214.71)	(215.90)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>910.41</b>	<b>1,003.96</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(388.35)	(347.53)
Decrease / (increase) in Capital work in progress	8.87	94.15
Decrease / (increase) in Capital advances	(4.05)	(3.80)
Proceeds from sale of fixed assets	10.77	5.73
Decrease/ (increase) in earmarked bank balances	7.81	(23.94)
Interest received	7.38	6.63
Dividend received	0.02	0.07
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(357.55)</b>	<b>(268.69)</b>

## Cash Flow Statement

# Cash Flow Statement (Contd.)

## for the year ended 31st March, 2016

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) of long term borrowings	15.42	31.39
Proceeds / (Repayment) of fixed deposits from public	(38.99)	(89.78)
Proceeds / (Repayment) of short term borrowings (net)	-	(468.46)
Interest paid	(28.35)	(58.25)
Dividend paid	(148.74)	(134.89)
Dividend distribution tax paid	(30.71)	(25.13)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(231.37)</b>	<b>(745.12)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>321.49</b>	<b>(9.85)</b>
Cash and cash equivalents as at Opening	29.91	39.76
Cash and cash equivalents as at Closing	351.40	29.91
Cash and cash equivalents consists of:		
Cash-in-Hand	0.27	0.80
With Scheduled Banks		
In Current Accounts	31.13	29.11
Fixed deposit maturing within 3 months	320.00	-
	351.40	29.91

**Notes:**

- 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.
- Figures in brackets indicate cash outgo.
- Previous period figures have been regrouped and recast wherever necessary to conform to the current year's classification.

In terms of our report attached.

For **B.K. Khare & Co.**

Chartered Accountants

Firm Registration Number : 105102W

**Naresh Kumar Kataria**

Partner

Membership No.:- 037825

Place : New Delhi

Date : May 20, 2016

For and on behalf of the Board of Directors

**Anjali Singh**

Chairperson

**Manoj Kolhatkar**

Managing Director

**Rajendran A.**

V.P. Finance & CFO

**Nilesh Jain**

Company Secretary

# 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 133 of Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the companies operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 1930. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

### b) Use of Estimates

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

### c) Tangible Assets

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

### d) Intangible Assets

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

### e) Depreciation / Amortization :

#### Tangible Assets

Depreciation on tangible assets is provided on straight line method over the useful life of asset prescribed in Part C of schedule II of the Companies Act, 2013 except in respect of certain assets listed below where useful life is estimated different from the prescribed rate based on internal assessment or independent technical evaluation carried out by external valuers. The management believes that the useful lives as given below represent the period over which management expects to use these assets.

Asset Class	Estimated Useful Life (No. of Years)	Specified Useful Life in Schedule II (No. of Years)
Roads	5-8	5
Fences-Wells-Tube Wells	5-8	5
Certain items of Plant & Machinery	5-14	15
Air Conditioner	5	10
Furniture	8	10

In terms of the requirements of the Company Act, 2013 the company has also identified significant components of the assets and its useful life based on the internal technical valuation. Depreciation charged on such component is based on its useful life.

# Notes Forming Part of the Financial Statements (Contd.)

- **Intangible Assets**

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. Estimated useful lives are as under:-

Asset Class	Estimated Useful Life (No. of Years)
Computer software	3
Technical Knowhow	6 or period of agreement whichever is lower

**f) Investments**

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

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

**g) Inventories**

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

**h) Government Grants and subsidies**

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

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

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

**i) Revenue Recognition**

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

**j) Accounting for taxes on income**

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



# Notes Forming Part of the Financial Statements (Contd.)

tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

## k) Foreign Currency Transactions

- Initial Recognition : - Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.
- Conversion : - Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- Exchange differences:- The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:
  - Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
  - Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities
  - In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract.
  - Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes.
  - Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
  - Forward contracts entered into by the company to cover its exposure against firm commitment are marked to market as at the year end. The resultant loss is recognized in the Statement of Profit and Loss and gain, if any is ignored.
  - Premium or discount on foreign currency forward and option contracts are amortized and recognized in the statement of profit and loss over the period of contract.

## l) Research and Development

Equipment purchased and cost of construction of assets used for research and development is capitalised when commissioned and included in the fixed assets. Revenue expenditure on research and development is charged in the period in which it is incurred.

## m) Retirement Benefits

- Provident Fund : - Contribution towards provident fund is made to the regulatory authorities. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contribution made on a monthly basis.
- National Pension Scheme : - Contribution towards pension fund is made to the various funds. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contribution made on a yearly basis.
- Superannuation Fund : - The Company has Defined Contribution plans for Superannuation Fund. Contributions payable to the Superannuation Fund maintained by LIC are charged to the Statement of Profit and Loss. The Company does not carry any further obligations, apart from the contribution made.

# Notes Forming Part of the Financial Statements (Contd.)

- **Gratuity** : - The Company provides for gratuity, a defined Benefit plans (the “Gratuity Plan”) covering eligible employees in accordance with the payment of Gratuity Act, 1972. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the nature of employment. The Company’s liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses / gains are recognized in the statement of Profit and Loss account in the year in which they arise. The Gratuity Fund is maintained with LIC which is recognized by the income tax authorities.
- **Compensatory Absence** : - The Company provides for the encashment/ availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

## n) **Borrowing Cost**

Borrowing Costs attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset till the asset is ready for use. Interest on other borrowings is charged to Statement of Profit and Loss.

## o) **Leases**

Lease arrangement where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rent under operating leases are recognised in the Statement of Profit and Loss as per terms of agreement.

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

## p) **Warranty Provision**

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

## q) **Provisions and Contingencies**

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

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

## r) **Impairment**

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

## s) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company’s earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods

# Notes Forming Part of the Financial Statements (Contd.)

presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## t) Cash and Cash Equivalents

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

## Note 2 : Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	(Rs in million)	Number of shares	(Rs in million)
<b>Authorised</b>				
Equity shares of Re. 1/- each	150,000,000	150.00	150,000,000	150.00
Redeemable preference shares of Re. 100/- each	100,000	10.00	100,000	10.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Re. 1/- each	143,643,940	143.64	143,643,940	143.64
Add: Share forfeiture	-	0.03	-	0.03
<b>Total</b>	<b>143,643,940</b>	<b>143.67</b>	<b>143,643,940</b>	<b>143.67</b>

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

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

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

During the year ended 31<sup>st</sup> March 2016, the amount of per share dividend recognized as distributions to Equity shareholders was Rs. 1.20 (31<sup>st</sup> March 2015: Rs. 1.05).

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	Amount originally paid up (Rs in million)	Number of shares held	Amount originally paid up (Rs in million)
Balance at the beginning of the year	143,643,940	143.64	143,643,940	143.64
Balance at the end of the year	143,643,940	143.64	143,643,940	143.64

# Notes Forming Part of the Financial Statements (Contd.)

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt Ltd (Holding company)	71,905,468	50.06	71,905,468	50.06

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt Ltd (Holding company)	71,905,468	50.06	71,905,468	50.06
Equity shares of Re. 1 Each fully paid up held by Kayaba Industry Co Ltd.	7,937,360	5.53	7,937,360	5.53

**e) Aggregate number of bonus share issued, for consideration other than cash for the last five years immediately preceding the reporting date:**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Number of shares	Number of shares
Equity share allotted as fully paid bonus shares by capitalisation of general reserve	71,821,970	71,821,970

### Note 3: Reserves and surplus

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserve</b>	<b>4.70</b>	4.70
<b>Securities Premium Reserve</b>	<b>271.77</b>	271.77
<b>General Reserve</b>	<b>382.83</b>	382.83
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	2,451.37	2,048.75
Less Transitional charge on account of depreciation as per Companies Act 2013 - ( Refer note 44)	-	16.31
Add: Profit for the year	752.38	600.24
Less: Appropriations		
Interim dividend	64.70	64.64
Proposed dividend	107.67	86.20
Dividend distribution tax	35.09	30.47
Closing balance	2,996.29	2,451.37
<b>Total</b>	<b>3,655.59</b>	3,110.67

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 4: Long-term borrowings

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Secured:</b>		
<b>Term Loan</b>		
Vehicle loan from a bank	0.74	1.51
Secured by hypothecation of Vehicles. Repayable within 5 years from the date of sanction. Carry rate of Interest between 12% to 15%.		
<b>Unsecured:</b>		
Deferred sales tax (interest free)	1.89	2.52
Fixed deposits	28.88	25.76
Deposits from public including shareholders carry interest between 8.5% to 10% p.a. and having maturity period ranging from 1 year to 3 years from the date of deposit.		
Long term maturities of finance lease obligations (Refer note 35)	49.10	31.70
<b>Total</b>	<b>80.61</b>	<b>61.49</b>

## Note 5: Deferred tax liabilities (Net)

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Deferred tax liabilities</b>		
Depreciation	252.59	241.96
<b>Total</b>	<b>252.59</b>	<b>241.96</b>
<b>Deferred tax assets</b>		
Expenditure allowable for tax purpose on payment basis	(99.56)	(80.79)
Voluntarily retirement scheme	(2.53)	(4.97)
Expenditure disallowed u/s 40(a)	(0.69)	(6.40)
Other provisions	(45.48)	(44.89)
<b>Total</b>	<b>(148.26)</b>	<b>(137.05)</b>
	<b>104.33</b>	<b>104.91</b>

## Note 6: Long-term provisions

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits:		
Compensated absences	43.88	47.33
Gratuity	28.31	31.14
Retention bonus	20.07	14.63
<b>Total</b>	<b>92.26</b>	<b>93.10</b>

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 7: Trade payables

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Trade payables:</b>		
Total outstanding due to micro enterprises and small enterprises (Refer Note 29 )		
- Acceptances	16.30	-
- Others	15.62	3.17
	31.92	3.17
Total outstanding due to creditors other than micro enterprises and small enterprises		
- Acceptances	155.08	-
- Others	1,593.92	1,904.09
	1,749.00	1,904.09
<b>Total</b>	<b>1,780.92</b>	<b>1,907.26</b>

## Note 8: Other current liabilities

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long-term debts (Refer Note (i) and (ii) below)	28.71	71.40
Book overdraft	-	33.88
Interest accrued but not due on borrowings	3.00	6.52
Unpaid dividends	10.93	8.84
Statutory liabilities	103.30	92.33
Capital creditors	35.45	13.76
Advances from customers	40.57	33.13
Employee benefits payable	155.40	89.13
Unclaimed matured deposits	0.20	0.52
Unclaimed interest on deposits	0.25	1.22
Others*	119.17	101.82
<b>Total</b>	<b>496.98</b>	<b>452.55</b>

\* Includes forward contract restatement loss of Rs 11.69 million (previous year Rs 12.79 million), discount payable to dealers Rs 81.54 million (previous year Rs 72.04 million)

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(i) Current maturities of long term debts		
<b>Secured :</b>		
From banks		
Vehicle loans	0.41	1.34
<b>Unsecured :</b>		
Deferred sales tax	0.95	0.95
Fixed deposits	27.00	69.11
Current maturities of finance lease obligations	0.35	-
<b>Total</b>	<b>28.71</b>	<b>71.40</b>

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

**Note 9: Short-term provisions**

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for employee benefits:</b>		
Compensated absences	7.06	5.14
Gratuity	3.16	2.89
Super annuation	5.22	5.22
Retention bonus	9.73	2.95
	25.17	16.20
<b>Other provisions :</b>		
Warranty ( Refer Note 33 )	83.48	79.67
Proposed Equity dividend	107.74	86.20
Distribution tax on proposed dividend	21.93	17.55
Others (Refer Note 26 and 33)	123.74	114.97
	336.89	298.39
<b>Total</b>	<b>362.06</b>	<b>314.59</b>

# Notes Forming Part of the Financial Statements (Contd.)

## Note 10: Fixed assets

The changes in the carrying value of fixed assets for the year ended 31 March, 2016 are as follows

(Rs in million)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION/IMPAIRMENT				NET BLOCK			
	Cost as on 01.04.15	Cost Additions during the year	Disposal/Adjustment During the year	Cost as on 31.03.2016	Accumulated Depreciation/amortisation as on 01.04.2015	Depreciation/amortisation for the year (Refer Note 44)	Provision for Impairment of assets	Adjusted to opening balance of surplus of Profit & Loss (Refer Note 44)	Disposal/Adjustment During the year	Accumulated Depreciation/amortisation as on 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>												
Freehold Land	502.62	-	-	502.62	-	-	-	-	-	-	502.62	502.62
Leasehold Land	13.76	-	-	13.76	2.66	0.12	-	-	-	2.78	10.98	11.11
Buildings	850.45	64.24	(0.56)	914.13	288.87	28.17	-	-	(0.20)	316.84	597.29	561.58
Plant & Machinery@	3,503.13	281.25	(83.27)	3,701.11	1,989.81	264.40	1.30	-	(50.79)	2,204.72	1,496.39	1,513.32
Vehicles#	36.45	9.69	(5.32)	40.82	16.69	6.61	-	-	(4.64)	18.66	22.16	19.76
Furniture & Fixtures	112.70	9.12	(2.73)	119.09	65.72	11.72	-	-	(2.49)	74.95	44.14	46.98
<b>Sub Total</b>	<b>5,019.11</b>	<b>364.30</b>	<b>(91.88)</b>	<b>5,291.53</b>	<b>2,363.75</b>	<b>311.02</b>	<b>1.30</b>	<b>-</b>	<b>(58.12)</b>	<b>2,617.95</b>	<b>2,673.58</b>	<b>2,655.36</b>
Sub Total as on 31.03.2015	4,705.00	340.94	(26.83)	5,019.11	2,069.04	287.84	2.20	24.82	(20.15)	2,363.75	2,655.36	2,635.96
<b>Intangible Assets</b>												
Computer Software	103.57	20.68	-	124.25	85.59	13.62	-	-	-	99.21	25.04	17.98
Technical Knowhow	119.21	3.36	24.43	147.00	115.90	5.92	-	-	(0.57)	121.25	25.75	3.30
<b>Sub Total</b>	<b>222.78</b>	<b>24.04</b>	<b>24.43</b>	<b>271.25</b>	<b>201.49</b>	<b>19.54</b>	<b>-</b>	<b>-</b>	<b>(0.57)</b>	<b>220.46</b>	<b>50.79</b>	<b>21.28</b>
Sub Total as on 31.03.2015	216.18	6.59	-	222.77	180.22	21.27	-	-	-	201.49	21.28	35.96
<b>Total</b>	<b>5,241.89</b>	<b>388.34</b>	<b>(67.45)</b>	<b>5,562.78</b>	<b>2,565.24</b>	<b>330.56</b>	<b>1.30</b>	<b>-</b>	<b>(58.69)</b>	<b>2,838.41</b>	<b>2,724.37</b>	<b>2,676.64</b>
Total as on 31.03.2015	4,921.18	347.53	(26.83)	5,241.89	2,249.26	309.12	2.20	24.82	(20.15)	2,565.24	2,676.64	2,671.92

# Cost of Vehicle includes assets purchased on finance lease amounting Rs 1.61 million ( Previous year Rs 6.25 million) with a written down value of 0.94 million ( previous year Rs 2.95 million).

@ Cost of Plant and Machinery includes asset purchased on finance lease amounting Rs 48.85 million(Previous year Rs 31.20 million) with a written down value of Rs 46.07 million (Previous year Rs 30.42 million).



# Notes Forming Part of the Financial Statements (Contd.)

## Note 10: Fixed assets

The changes in the carrying value of fixed assets for the year ended 31 March, 2015 are as follows

(Rs in million)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION/IMPAIRMENT					NET BLOCK			
	Cost as on 01.04.14	Additions during the year*	"Disposal/Adjustment During the year"	Cost as on 31.03.2015	Accumulated Depreciation/ amortisation as on 01.04.2014	Depreciation/ amortisation for the year (Refer Note 44)	Provision for Impairment of assets	Adjusted to opening balance of surplus of Profit & Loss (Refer Note 44)	Disposal/Adjustment During the year	Accumulated Depreciation/ amortisation as on 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>												
Freehold Land	497.81	4.81	-	502.62	-	-	-	-	-	-	502.62	497.81
Leasehold Land	13.76	-	-	13.76	2.53	0.12	-	-	-	2.66	11.11	11.23
Buildings	824.02	26.43	-	850.45	255.57	30.74	-	2.56	-	288.87	561.58	568.44
Plant & Machinery@	3,229.81	292.04	(18.72)	3,503.13	1,747.99	238.41	2.20	17.42	(16.21)	1,989.81	1,513.32	1,481.82
Vehicles#	32.59	11.27	(7.41)	36.45	14.15	5.75	-	0.32	(3.53)	16.69	19.76	18.45
Furniture & Fixtures	107.01	6.38	(0.69)	112.70	48.79	12.82	-	4.52	(0.41)	65.72	46.98	58.22
<b>Sub Total</b>	<b>4,705.00</b>	<b>340.94</b>	<b>(26.83)</b>	<b>5,019.11</b>	<b>2,069.04</b>	<b>287.84</b>	<b>2.20</b>	<b>24.82</b>	<b>(20.15)</b>	<b>2,363.75</b>	<b>2,655.36</b>	<b>2,635.96</b>
Sub Total as on 31.03.2014	4,390.99	385.91	(71.90)	4,705.00	1,892.38	237.85	2.70	-	(63.89)	2,069.04	2,635.96	2,498.61
<b>Intangible Assets</b>												
Computer Software	96.97	6.59	-	103.57	71.06	14.53	-	-	-	85.59	17.98	25.91
Technical Knowhow	119.21	-	-	119.21	109.16	6.74	-	-	-	115.90	3.30	10.05
<b>Sub Total</b>	<b>216.18</b>	<b>6.59</b>	<b>-</b>	<b>222.77</b>	<b>180.22</b>	<b>21.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201.49</b>	<b>21.28</b>	<b>35.96</b>
Sub Total as on 31.03.2014	203.28	9.75	3.15	216.18	147.61	30.19	-	-	2.42	180.22	35.96	55.67
<b>Total</b>	<b>4,921.18</b>	<b>347.53</b>	<b>(26.83)</b>	<b>5,241.89</b>	<b>2,249.26</b>	<b>309.12</b>	<b>2.20</b>	<b>24.82</b>	<b>(20.15)</b>	<b>2,565.24</b>	<b>2,676.64</b>	<b>2,671.92</b>
Total as on 31.03.2014	4,594.27	395.66	(68.75)	4,921.18	2,039.99	268.03	2.70	-	(61.46)	2,249.26	2,671.92	2,554.28

\* Additions includes interest capitalized Rs Nil (Previous Year Rs. 5.35 million)

# Vehicles include assets purchased on finance lease amounting Rs 6.25 million (Previous Year Rs 2.90 million) with a written down value of Rs 2.95 million (Previous Year Rs 2.63 million).

@ Plant & Machinery include assets purchased on finance lease amounting Rs. 31.2 million (Previous Year Rs. Nil) with a written down value of Rs 30.42 million (Previous Year Rs Nil).

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 11: Non-current investments

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Non Trade (at Cost)</b>		
<b>Investment in Equity Instruments</b>		
<b>Unquoted</b>		
20,000 Equity shares of Rs.10 each fully paid up of Shivalik Solid Waste Management Ltd.	0.20	0.20
<b>Quoted</b>		
4,000 Equity Shares of Rs. 2 each fully paid up of Housing Development Finance Corporation Limited.	0.02	0.02
	0.22	0.22
<b>Investment in Government or Trust securities</b>		
<b>Unquoted</b>		
National Savings Certificates	0.01	0.01
<b>Total</b>	<b>0.23</b>	<b>0.23</b>

### Additional Information :

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate amount of quoted investments and market value		
i) Aggregate amount	0.02	0.02
ii) Market Value	4.28	5.26

## Note 12: Long-term loans and advances

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, considered good unless stated otherwise</b>		
Capital advances :		
Considered good	12.01	16.06
Considered doubtful	1.00	1.00
	13.01	17.06
Less :- Provision for doubtful advances	1.00	1.00
	12.01	16.06
Security Deposits	147.94	144.62
Loans and advances to employees	12.86	14.05
Advance Income tax [Net of provision of Rs 528.09 million (Previous year Rs 725.28 million)]	63.24	51.66
<b>Total</b>	<b>236.05</b>	<b>226.39</b>

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 13: Other non current assets

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Long term deposits with banks with maturity period more than 12 months	14.10	24.00
<b>Total</b>	<b>14.10</b>	<b>24.00</b>

## Note 14: Inventories

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>At lower of cost or net realisable value</b>		
Raw materials	463.25	489.45
Goods-in-transit	67.12	63.23
	530.37	552.68
Work-in-progress	222.95	260.28
Finished goods	179.94	178.19
Goods-in-transit	95.80	56.41
	275.74	234.60
Stock-in-trade	25.02	15.94
Stores and spares	77.77	89.98
	1,131.85	1,153.48
Less:- Provision for slow and non moving Inventories	24.44	32.08
<b>Total</b>	<b>1,107.41</b>	<b>1,121.40</b>

## Note 15: Trade receivables

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they were due for payment :		
Considered good	5.86	7.45
Considered doubtful	20.79	17.02
	26.65	24.47
Less: Provision for doubtful trade receivables	20.79	17.02
	5.86	7.45
Others :		
Considered good	1,917.87	1,740.32
<b>Total</b>	<b>1,923.73</b>	<b>1,747.77</b>

# Notes Forming Part of the Financial Statements (Contd.)

## Note 16: Cash and Bank Balances :

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Cash and Cash Equivalents :</b>		
Cash on hand	0.27	0.80
Balances with banks		
In current accounts	31.13	29.11
Fixed deposit maturing within 3 months	320.00	-
Earmarked balances with banks		
Unclaimed dividend accounts with bank	11.03	8.94
<b>Total</b>	<b>362.43</b>	<b>38.85</b>

## Note 17: Short-term loans and advances

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, considered good unless stated otherwise</b>		
Loans and Advances to suppliers	130.14	140.49
Deposits with government authorities	32.50	30.50
Less : Provision towards disputed Sales Taxes	22.47	19.45
	10.03	11.05
Security deposits	0.82	0.45
Loans and advances to employees	4.01	4.50
Prepaid expenses	34.08	28.01
Balances with government authorities :		
CENVAT credit receivables	71.52	56.26
VAT credit receivables	7.52	12.51
Service Tax credit receivables	15.67	30.84
Others	16.37	24.64
<b>Total</b>	<b>290.16</b>	<b>308.75</b>

## Note 18: Other current assets

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued on deposits	3.73	0.96
Insurance claims receivables	0.22	0.09
Accrued export benefits	31.89	12.19
<b>Total</b>	<b>35.84</b>	<b>13.24</b>

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 19: Sales

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Sale of products</b>		
Finished goods	15,596.76	15,678.64
Traded goods	167.88	123.79
	<b>15,764.64</b>	15,802.43
Less : Excise duty	1,500.46	1,504.03
<b>Total</b>	<b>14,264.18</b>	14,298.40

## Note 20: Other operating income

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Sale of scrap	81.37	96.39
Income from services	6.98	8.13
Duty drawback and other export incentives	27.68	23.41
Refund of duties (Refer note 30)	2.10	14.65
<b>Total</b>	<b>118.13</b>	142.58

## Note 21: Other income

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Interest income on :</b>		
Fixed deposits with banks	8.73	1.43
Inter corporate deposits	-	3.74
Advances to supplier	1.42	2.35
	<b>10.15</b>	7.52
Dividend income from non current Investments	0.02	0.07
Rental income	1.70	1.70
Credit balances / excess provisions written back	1.84	7.96
Profit on sales of assets (net)	2.01	-
Miscellaneous income	26.38	22.63
<b>Total</b>	<b>42.10</b>	39.88

# Notes Forming Part of the Financial Statements (Contd.)

## Note 22 a: Cost of materials consumed

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening inventory	552.68	582.56
Add: Purchases	10,140.05	10,291.51
	10,692.73	10,874.07
Less: Closing inventory	530.37	552.68
<b>Cost of material consumed</b>	<b>10,162.36</b>	<b>10,321.39</b>
Material consumed comprises:		
Tubes	1,579.96	1,534.60
Bright bars	1,264.54	1,372.70
Shocks fluid	282.23	322.02
Other items	7,035.63	7,092.07
<b>Total</b>	<b>10,162.36</b>	<b>10,321.39</b>

## Note 22 b: Purchase of stock-in-trade

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Purchase of stock-in-trade	133.02	100.65
Purchase of traded goods comprises :		
Shock Absorber / Springs	36.18	26.68
Front fork Oils	5.29	6.58
Coolants	15.15	21.08
Bush Kit	6.20	6.96
Tyre and Rim	70.20	39.35
<b>Total</b>	<b>133.02</b>	<b>100.65</b>

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 22 c: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Inventories at the beginning of the year:		
Finished goods	234.60	282.11
Work-in-progress	260.28	230.28
Stock-in-trade	15.94	10.43
	510.82	522.82
Inventories at the end of the year:		
Finished goods	275.74	234.60
Work-in-progress	222.95	260.28
Stock-in-trade	25.02	15.94
	523.71	510.82
<b>Net (increase) / decrease</b>	<b>(12.89)</b>	<b>12.00</b>

## Note 23: Employee benefit expenses

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salaries and wages (Refer Note 45)	951.58	874.33
Contributions to provident and other funds	54.80	70.08
Staff welfare expenses	143.97	132.59
<b>Total</b>	<b>1,150.35</b>	<b>1,077.00</b>

## Note 24: Finance costs

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest on borrowings	20.11	47.35
Other borrowing costs	4.65	6.61
Net loss on foreign currency transactions and translation	0.07	0.84
<b>Total</b>	<b>24.83</b>	<b>54.80</b>

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 25: Other expenses

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Consumption of stores and spare parts	230.99	224.41
Power and fuel	236.36	254.80
Rent including lease rentals	12.81	12.08
Repairs and maintenance		
- Buildings	18.76	15.36
- Machinery	154.17	134.17
- Others	47.41	50.06
Insurance	18.72	16.74
Rates and taxes	18.34	15.47
Communication	18.89	14.67
Travelling and conveyance	78.89	76.22
Printing and stationery	8.66	10.15
Freight and forwarding	250.11	284.79
Discounts	74.68	74.86
Business promotion	18.83	14.17
Royalty (Refer Note 45)	7.07	59.42
Expenditure towards corporate social responsibility (CSR) activities (Refer note 43)	12.24	10.84
Donations and contributions	0.32	0.09
Legal and professional	264.87	266.51
Payments to auditors #	9.53	7.32
Bad debts and advances written off	0.40	0.44
Provision for doubtful trade and other receivables, loans and advances (net)	3.77	7.49
Foreign exchange fluctuation (net)	2.78	11.53
Loss on assets sold / scrapped (net)	-	0.95
Director fee and commission	10.03	8.95
Warranty costs	59.96	87.11
Miscellaneous expenses	115.36	103.62
<b>Total</b>	<b>1,673.95</b>	<b>1,762.22</b>

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
# Payments to auditors		
As auditors	4.85	4.41
As tax auditors	0.86	0.72
For taxation matters	3.17	1.70
For other services	0.19	0.30
Reimbursement of expenses	0.46	0.19
<b>Total</b>	<b>9.53</b>	<b>7.32</b>



## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 26: Exceptional items - ( income ) / expenses

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Others* (Refer Note 33)	6.00	6.00
<b>Total</b>	<b>6.00</b>	<b>6.00</b>

\* Others represents additional provision made on account of re-assessment of disputed liabilities towards rates and taxes of Rs 6 million (Previous year Rs 6 million).

## Note 27: Contingent liabilities and commitments (to the extent not provided for)

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Contingent liabilities :</b>		
Bills discounted with banks	-	149.61
Disputed Direct and Indirect Tax matters :		
a) Company in appeal	219.14	201.69
b) Matters decided in Company's favour, tax authorities in appeal before the High Court	12.26	41.44
c) Others	20.46	27.51
Claims against the Company, not acknowledged as debts	287.98	292.60
<b>Commitments :</b>		
Estimated Amount of unexecuted Capital contracts (net of advances and deposits)	35.72	60.96
<b>Others:</b>		
Guarantees issued by banks on behalf of the Company	23.51	19.02
Letter of Credit issued by banks on behalf of the Company	5.61	-

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 28: Foreign exchange exposures

The Company enters into Foreign Currency Exposures Contracts for the purpose of hedging its currency risk and interest rate risk. These contracts are entered to hedge underlying assets/liabilities, firm commitments and highly probable forecast transactions and are not intended for trading or speculation.

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Amount in Foreign Currency (in million)	Amount in (Rs in million)	Amount in Foreign Currency (in million)	Amount in (Rs in million)
Liabilities (Payables)/Firm Commitments/ Highly probable forecast transactions				
In CNH	19.98	211.13	-	-
In EURO	0.18	14.00	0.30	24.17
In USD	5.13	356.22	4.51	298.87
In JPY	26.25	16.50	48.67	26.58

- b) The following are the outstanding Forward Currency Option contracts into by the Company :

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Amount in Foreign Currency (in million)	Amount in (Rs in million)	Amount in Foreign Currency (in million )	Amount in (Rs in million)
Liabilities (Payables)/Firm Commitments/ Highly probable forecast transactions				
In USD	1.78	121.43	3.56	230.95

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Amount in Foreign Currency (in million)	Amount in Rs (in million)	Amount in Foreign Currency (in million )	Amount in Rs (in million)
Liabilities(Payables)				
In EURO	-	-	-	-
In USD	-	-	-	-
In JPY	3.95	2.36	2.46	1.59
Assets(Receivables)				
In USD	0.20	13.32	0.45	28.07

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 29: Dues to micro small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Rs in million)

Particulars		As at	As at
		31st March, 2016	31st March, 2015
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.92	0.40
b)	Interest due to suppliers registered under the MSMED Act for the year and remaining unpaid as at year end	0.00	0.31
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	156.09	3.19
d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.59	1.58

## Note 30:

The Company is entitled to refund of octroi and sales tax under incentive scheme of Maharashtra Government which as per accounting policy of the Company are recognised based on assessment of certainty of ultimate realisation. Refund of octroi duty and taxes reflected under note 21 includes Rs. Nil (Previous year Rs. 11.15 million) pertaining to earlier years recognised based on the aforesaid policy of revenue recognition.

## Note 31: 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 4.12% (Previous year 3.88%) of the total turnover of The Company. There are no reportable geographical segments.

## Note 32: Related party transaction

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

### A. Names of related parties and description of relationships

(As identified and certified by the Management)

- Enterprise where control exists

#### Holding Company

*Asia Investment Private Limited*

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

#### (a) Fellow subsidiaries

*ANAND Automotive Private Limited*

*Anand I-Power Limited (erstwhile Perfect Circle India Limited 'PCIL')*

*Victor Gaskets India Limited*

*Chang Yun India Private Limited*

#### (b) Partnership Firm of Director

*Anchemco ANAND LLP*

#### (c) Key Management Personnel

Mr. Manoj Kolhatkar (Managing Director)

# Notes Forming Part of the Financial Statements (Contd.)

## B. Details of transactions

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Purchase of goods and services</b>		
Fellow subsidiaries		
- ANAND Automotive Private Ltd	211.95	212.11
- Victor Gaskets India Limited	0.30	1.19
- Anchemco ANAND LLP	14.88	10.31
- Chang Yun India Private Ltd	-	0.11
- Anand I-Power Limited (erstwhile PCIL)	-	0.14
<b>Recovery of Expenses</b>		
Holding Company		
- Asia Investment Pvt Ltd	0.88	-
Fellow subsidiaries		
- ANAND Automotive Private Ltd	18.27	14.66
- Victor Gaskets India Limited	0.23	0.12
- Chang Yun India Private Ltd	0.22	0.28
- Anand I-Power Limited (erstwhile PCIL)	0.04	0.04
<b>Reimbursement of Expenses</b>		
Holding Company	-	2.04
- Asia Investment Pvt Ltd		
Fellow subsidiaries		
- ANAND Automotive Private Ltd	20.90	22.60
- Anand I-Power Limited (erstwhile PCIL)	0.14	0.00
- Victor Gaskets India Limited	-	0.32
<b>Inter corporate deposits given</b>		
Fellow subsidiary		
- ANAND Automotive Private Ltd	-	140.00
<b>Interest on inter corporate deposits</b>		
Fellow subsidiary		
- ANAND Automotive Private Ltd	-	3.74
<b>Repayment of Inter corporate deposits</b>		
Fellow subsidiary		
- ANAND Automotive Private Ltd	-	140.00
<b>Remuneration to key management personnel</b>		
Mr. Manoj Kolhatkar (Managing Director)	22.53	13.90

# Notes Forming Part of the Financial Statements (Contd.)

## C. Amount outstanding as at year end (payable)/ receivable-

(Rs in million)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Reimbursement of expense/purchase and sale of goods &amp; services</b>		
Holding Company	-	0.36
- <i>Asia Investment Pvt Ltd</i>		
Fellow subsidiaries		
- <i>ANAND Automotive Private Ltd</i>	(23.07)	(28.60)
- <i>Anchemco ANAND LLP</i>	(1.50)	(2.66)
- <i>Victor Gaskets India Limited</i>	(0.19)	(1.11)
- <i>Chang Yun India Private Ltd</i>	0.07	-
- <i>Anand I-Power Limited (erstwhile PCIL)</i>	(0.21)	(0.11)
<b>Interest free deposits</b>		
Fellow subsidiary		
- <i>ANAND Automotive Private Ltd</i>	123.20	123.20

## Note 33: The Company has the following provision in the books of account as on March 31, 2016

(Rs in million)

Description	Balance as on 01.04.2015	Additions during the year	Used / Paid/ Reversed during the year	Balance as on 31.03.2016
Provisions				
1) Warranty *	79.67	59.96	56.15	83.48
	70.07	87.11	77.51	79.67
2) Others **	114.97	13.07	4.30	123.74
	103.42	11.55	0.00	114.97

\* Estimated warranty costs are accrued at the time of sale of components on which the warranty provisions are applicable. It is expected that majority of the warranty provisions outstanding as on March 31, 2016 is likely to result in cash outflow within 12 months of the Balance Sheet date.

\*\* Others represents estimates made for probable claims arising out of litigations/disputes pending with authorities under various statutes including Rs. 6 million (Previous Year Rs.6 million) reflected as exceptional items (Refer note 26) and for entry tax. The probability and the timing of the outflow with regard to these matters depend on the ultimate settlement/conclusion with the relevant authorities.

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 34: Research and development expenditure

### (a) Accounting for research and development expenditure incurred at R&D Centres recognized by DSIR

(Rs in million)

Particulars	R&D Centre No. 1		R&D Centre No. 2		R&D Centre No. 3		Total Company	
	Chakan		Nashik		Hosur			
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
<b>i) Capital expenditure :</b>								
Equipment purchase	61.96	26.20	2.52	1.06	1.82	2.23	66.30	29.49
Land and buildings	-	-	-	-	-	1.05	-	1.05
<b>Total Capital expenditure :</b>	<b>61.96</b>	<b>26.20</b>	<b>2.52</b>	<b>1.06</b>	<b>1.82</b>	<b>3.28</b>	<b>66.30</b>	<b>30.54</b>
<b>ii) Revenue expenditure :</b>								
Personnel expenses	56.70	50.77	4.94	3.61	21.48	17.69	83.12	72.07
Raw materials	2.12	0.06	0.08	-	5.26	0.03	7.46	0.09
Repair and maintenance - P&M	2.00	1.13	0.20	-	1.17	0.21	3.37	1.34
Others	1.35	0.86	0.18	-	0.09	0.00	1.62	0.86
Travel	5.42	1.85	0.24	0.08	1.67	0.22	7.33	2.16
Rent	-	-	-	-	-	-	-	-
Utilities	9.95	9.58	0.75	1.96	2.49	2.59	13.19	14.12
Vehicle running and maintenance	0.01	0.04	-	-	-	0.05	0.01	0.09
Other expenses	6.40	11.10	0.09	0.46	0.93	5.63	7.41	17.19
<b>Total Revenue expenditure</b>	<b>83.95</b>	<b>75.39</b>	<b>6.47</b>	<b>6.10</b>	<b>33.09</b>	<b>26.42</b>	<b>123.51</b>	<b>107.92</b>
<b>iii) Total Capital and Revenue expenditure</b>	<b>145.91</b>	<b>101.59</b>	<b>8.99</b>	<b>7.16</b>	<b>34.91</b>	<b>29.71</b>	<b>189.81</b>	<b>138.46</b>

## Note 35: Lease

### A. As Lessee in a Finance Lease

The Company has purchased vehicles and solar power plant\* under finance lease agreements. The future minimum lease payments under these lease agreements as on March 31, 2016 are as follows:

(Rs in million)

Period	As at 31st March, 2016		As at 31st March, 2015	
	Minimum Lease payments	Present value of Minimum Lease payments	Minimum Lease payments	Present value of Minimum Lease payments
Not later than one year	6.82	0.73	4.60	4.19
Later than one year but not later than five years	27.05	3.80	17.24	11.84
Later than five years	111.90	46.21	57.60	16.11
<b>Total</b>	<b>145.77</b>	<b>50.74</b>	<b>79.44</b>	<b>32.14</b>
Less: Amounts representing finance charges	95.03	-	45.65	-
Present value of minimum lease payments	50.74	50.74	33.79	32.14

\*Lease charges paid for Solar Power Plant are based on generation of electricity units.

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## B. As Lessee in an Operating Lease

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
The Company has entered into operating lease arrangements for factory shed, residential premises, godown. Lease arrangements provide for cancellation by either party and also contain a provision for renewal of the lease agreement.		
Minimum lease payments under operating leases recognized as expense in the year	0.56	14.65
Due not later than one year	0.79	2.32
Due later than one year but not later than five years	2.52	0.32
Later than five years	1.69	-
	5.00	2.64

## Note 36: Earnings per share

Particulars	As at 31st March, 2016	As at 31st March, 2015
Profit attributable to Equity shareholders (Rs in million)-(A) Basic/Weighted	752.38	600.24
Average number of Equity Shares* outstanding during the year - (B)	143,643,940	143,643,940
Nominal Value of Equity shares (Rs.)	1	1
Basic/diluted Earning per share (Rs.) - (A)/(B)	5.24	4.18

## Note 37: Value of imports calculated on C.I.F. basis (excluding value of items locally purchased)

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Raw materials and components	1,851.67	2,104.94
Stores, spares and tools	30.66	71.16
Capital goods	36.10	48.60
	1,918.43	2,224.70

## Note 38: Activity in foreign currency

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Earning in foreign currency : FOB value of exports	566.65	527.73
	566.65	527.73
Expenditure in foreign currency (on cash basis) :		
Commission to overseas agents	2.31	1.50
Foreign travel	9.39	7.65
Royalty	74.51	39.21
Professional fees, Other Technical & Assistance fees	11.86	7.36
	98.07	55.72

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## Note 39: Imported and indigenous raw materials and components and stores, spares & tools consumed

(Rs in million)

Period	2015-2016		2014-2015	
	% to Total Consumption	Value Rs.	% to Total Consumption	Value Rs.
<b>Raw materials and components</b>				
i) Direct Imports at landed cost	20%	2,043.18	22%	2,238.81
ii) Indigenous - Including value of imported items locally purchased	80%	8,119.18	78%	8,082.58
	100%	10,162.36	100%	10,321.39
<b>Stores, spares and tools</b>				
i) Direct Imports at landed cost	29%	66.35	35%	79.14
ii) Indigenous - Including value of imported items locally purchased	71%	164.64	65%	145.27
	100%	230.99	100%	224.41

## Note 40: Dividend remitted in foreign currency

(Rs in million)

Particulars		No. of Non-Resident shareholders	Number of shares to which dividends relates	As at	As at
				31st March, 2016	31st March, 2015
Interim dividend	for 2014-15	1	7,937,360	-	3.57
	for 2015-16	1	7,937,360	3.57	-
Final Dividend	for 2013-14	1	7,937,360	-	3.97
	for 2014-15	1	7,937,360	4.76	-

## Note 41: Disclosure in accordance with revised AS - 15 on "Employee Benefits"

### (A) Defined contribution plans

(Rs in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Contribution to Provident Fund	38.23	36.48
Contribution to Super Annuation Fund *	(0.84)	7.12
Contribution to NPS	1.67	-
Contribution to Other Funds	3.55	0.09
	42.61	43.69

\* Net of Refund of Rs 6.37 million ( Previous year Nil)



## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

## (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	As at 31st March, 2016	As at 31st March, 2015
<b>Actuarial assumptions</b>		
Discount rate	8.00%	7.80%
Expected return on plan assets	8.65%	9.00%
Salary escalation	6.00%	6.00%
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	80.34	57.09
Current service cost	10.03	9.31
Interest cost	6.15	4.69
Benefits paid	(2.89)	(3.81)
Actuarial losses/(gains)	(1.81)	13.06
Present value of DBO at the end of the year	91.82	80.34
<b>Change in fair value of plan assets during the year</b>		
Fair value of Plan assets at beginning of the year	46.31	45.58
Expected return on plan assets	4.63	3.93
Contribution	13.21	-
Benefits paid	(2.89)	(3.81)
Actuarial losses/(gains)	(0.90)	0.61
Fair value of plan assets at the end of the year	60.36	46.31
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
Present value of defined benefit obligations at the end of the year	91.82	80.34
Fair value of Plan Assets at the end of the year	60.36	46.31
Funded status [Surplus / (Deficit)]	(31.46)	(34.03)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(31.46)</b>	<b>(34.03)</b>
<b>Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	10.03	9.31
Interest cost	6.15	4.69
Expected return on plan assets	(4.63)	(3.93)
Net actuarial Loss recognized in the Statement of Profit and Loss	(0.90)	12.45
Total expenses recognised in Statement of Profit & Loss	10.65	22.52

As at March 31, 2016 and March 31, 2015 all the plan assets have been invested in insurer managed funds.

## Notes Forming Part of the Financial Statements

# Notes Forming Part of the Financial Statements (Contd.)

(Rs in million)

Gratuity	2015-16	2014-2015	2013-2014	2012-2013	2011-2012
Present value of DBO	91.82	80.34	57.09	47.82	42.64
Fair value of plan assets	60.36	46.31	45.58	39.40	44.06
Funded status [Surplus / (Deficit)]	(31.46)	(34.03)	(11.51)	(8.42)	1.42
Experience gain / (loss) adjustments on plan liabilities	(30.95)	0.76	(3.50)	(6.55)	4.00
Experience gain / (loss) adjustments on plan assets	0.90	(0.72)	(0.56)	0.15	1.51

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

**(C) Defined Benefit Plans – Leave Entitlement ( unfunded)**

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

(Rs in million)

Particulars	2015-2016	2014-2015
<b>Actuarial assumptions</b>		
Discount rate	8.00%	7.80%
Salary escalation	6.00%	6.00%
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	52.47	33.52
Current service cost	11.71	11.27
Interest cost	3.92	2.66
Benefits paid	(4.55)	(4.51)
Actuarial losses/(gains)	(12.61)	9.52
Present value of DBO at the end of the year	50.94	52.46
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
Present value of defined benefit obligation at the end of the year	50.94	52.46
Fair value of Plan Assets at the end of the year	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(50.94)</b>	<b>(52.46)</b>
<b>Expenses recognised in the Profit and Loss account</b>		
Current service cost	11.71	11.27
Interest cost	3.92	2.66
Expected return on plan assets	-	-
Net actuarial Loss/(gain) recognized in the Statement of Profit and Loss	(12.61)	9.52
Total expenses recognised in Statement of Profit & Loss	3.02	23.45

All the above expenses have been included under Note 24

**Note 42.**

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

*Notes Forming Part of the Financial Statements*

# Notes Forming Part of the Financial Statements (Contd.)

July 28, 2009 and the same was charged to Statement of Profit and Loss of the said year. The Company has subsequently applied to the Central Government for approval of the excess payments. The Central Government gave approval as under :-

(Rs in million)

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

The Company had filed a review petition to the Central government in the financial year 2013-14 in respect of amount disallowed, which is pending for consideration. The company has filed a legal case against Mr Arvind Walia for recovery of excess amount paid, which is pending for decision.

## Note 43

During the year the Company has incurred CSR expenses of Rs.12.24 million (Previous year Rs.10.84 million) which represented donations/contributions to Companies which are engaged in CSR activities eligible under section 135 of the Companies Act as specified in Schedule VII.

## Note 44

- The Company has recomputed the depreciation based on the useful life of the assets as per accounting policy (e) in Note 1. This has resulted in additional charge of depreciation of Rs. Nil (previous year Rs. 52.45 million). Further, as per transitional provision of the Act, the Company has adjusted the written down value of Rs. Nil (Previous year Rs. 16.31 million (net of Deferred tax of Rs. 8.51 million)) in the opening balance of surplus in Profit and Loss in respect of assets whose residual useful life was NIL as of 1st April 2014.
- As stated in the same accounting policy, the company has charged depreciation based on the useful life of significant component of assets identified resulting in additional charge of Rs 11.55 million to the profit of the year.

## Note 45

- Employee benefits expense for the year includes provision towards bonus of Rs. 41.12 million ( including Rs. 21.71 million for the period 1st April 2014 to 31st March 2015) arising due to retrospective amendment of Payment of Bonus Act,1965.
- Royalty expense for the year is net of the write back of Rs 28.17 million relating to earlier year on finalisation of "Technical Services Assistance Agreement"

## Note 46

Previous year figures have been re-grouped/reclassified wherever necessary to conform to current year's classification.

## Notice

# Notice

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the members of GABRIEL INDIA LIMITED will be held at the Auditorium, Gabriel India Limited, 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501, Maharashtra on Friday, July 29, 2016 at 2.30 p.m. to transact the following businesses :

## Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 and Reports of Board of Directors and Auditors thereon.
2. To declare final dividend for the financial year 2015-16.
3. To appoint a Director in place of Mrs. Anjali Singh (DIN: 02082840), who retires by rotation and being eligible offers herself for re-appointment.
4. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for time being in force) M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Registration No. 105102W), be and are hereby appointed as the Statutory Auditors of the Company to hold the office for a period of 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of Fifty Ninth Annual General Meeting of the Company, subject to ratification of their appointment by the members at every Annual General Meeting on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company.

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

## Special Business

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for time being in force) Mr. Jagdish Kumar (DIN: 00318558) who was appointed as an additional Director of the Company by the Board of Directors with effect from November 3, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, in respect of whom the Company has received from a member a notice in writing under Section 160 of the Act along with a deposit of Rs. 1,00,000/- (Rupees one lac only) proposing his candidature for the office of Director, be and is hereby appointed as a non-executive and non-independent Director of the Company, liable to retire by rotation.

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

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

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Articles of Association of the Company and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the re-appointment of Mr. Manoj Kolhatkar (DIN : 03553983), as Managing Director (‘MD’) of the Company for a period of 5 (five) years with effect from May 27, 2016 upto May 26, 2021 on such terms and conditions including remuneration viz. Salary, allowances, perquisites, incentives, benefits and amenities as set out hereunder, with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to determine, alter or vary the terms and conditions and/or remuneration, subject to the same not exceeding the limit specified under Section 197 read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force :

## Notice

**Notice** (Contd.)

- A. (i) Salary : Not exceeding Rs. 9 Lacs per month. (Basic Salary and Annual Increment therein to be decided by the Board within the above ceiling).
- (ii) Special Allowance : As may be decided by the Board of Directors from time to time which shall not attract provident fund, gratuity and superannuation etc.
- B. Perquisites (including allowances) :
- |  |                               |
|--|-------------------------------|
| (i) Housing : Furnished / Unfurnished residential accommodation or house rent allowance in lieu thereof      | Limit : As per Company's Rule |
| (ii) Medical Reimbursement   | Limit : As per Company's Rule |
| (iii) Leave Travel Allowance for MD and his family viz. his spouse, dependent children and dependent parents | Limit : As per Company's Rule |
| (iv) Club Fees (No life membership or admission fees to be paid)   | Limit : maximum two clubs     |
| (v) Personal Accident Insurance Premium  | Limit : As per Company's Rule |
| (vi) Contribution to Provident Fund, Superannuation Fund / National Pension System and Gratuity              | Limit : As per Company's Rule |
| (vii) Encashment of leave not availed of   | Limit : As per Company's Rule |
| (viii) Provision of car and telephone facilities   | Limit : As per Company's Rule |
| (ix) Any other benefits, amenities and facilities including educational allowance for a child                | Limit : As per Company's Rule |
- C. Management Incentive Bonus Limit : As per Company's Scheme
- D. Special Bonus As per Company's Scheme
- E. Mr. Manoj Kolhatkar shall not divulge or disclose or use for his own purpose or any other purpose any information or knowledge or trade secret of the Company.
- F. Subject to the superintendence, control and direction of the Board, Mr. Manoj Kolhatkar shall exercise and perform such powers and duties as the Board of Directors shall determine from time to time.
- G. The appointment is terminable by either party giving the other six months' notice in writing.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits (as provided in Schedule V to the Act) of the Company in any financial year, during the term of office of the Managing Director, the remuneration by way of Salary, allowances, perquisites, incentives, benefits and amenities shall not, without the approval of the Central Government (if required) exceed the limits prescribed under the Schedule V to the Act (including any statutory modifications or re-enactment thereof, for time being in force).

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

**Notes:**

1. A Member entitled to attend and vote at the Annual General Meeting ("AGM") 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. A Proxy Form for AGM is enclosed in the Annual Report.
2. A person can act as a proxy on behalf of Members of not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the AGM.
4. Members are requested to bring their attendance slip duly filled and signed mentioning therein details of their DP ID and Client ID/ Folio No. The attendance slip for AGM is enclosed in the Annual Report.

## Notice

**Notice** (Contd.)

5. In case of joint holders attending the Meeting only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 23, 2016 to Friday, July 29, 2016 (both days inclusive).
7. Dividend, as may be declared by the members at the meeting, will be paid to those members whose names stand on the Company's Register of Members as on Friday, July 22, 2016. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Friday, July 22, 2016.
8. Members please be informed that respective bank details and address, as registered with the Company furnished by them or by NSDL / CDSL to the Company for shares held in the physical 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.

Members holding shares in dematerialized form may note that bank particulars registered against their respective depository account will be used by the Company for the payment of dividend. The Company or its Registrar and Transfer Agent, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the member.

9. Members holding shares in physical 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 Selenium Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500032, (Tel. 040 23312454 / 23320751 / 752 / 251 ; Fax : 040 23311968, 23323049, email : einward.ris@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.

Members holding shares in dematerialized form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts.

10. Members holding shares in physical certificate form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact Company or Karvy Computershare Pvt. Ltd. for assistance in this regard.
11. Members seeking any information with regard to the Financial Accounts are requested to write to the Company on or before July 22, 2016, to the attention of the Company Secretary at [nilesh.jain@gabriel.co.in](mailto:nilesh.jain@gabriel.co.in), so as to enable the Company to keep the information ready.
12. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed amount of final dividend for the financial year 2007-08 to the Investor Education and Protection Fund established by the Central Government on August 26, 2015.

Members who have not encashed their dividend warrants for the financial year ended March 31, 2009, or any subsequent years are requested to lodge their claim with the Company's Share Transfer Agents, Karvy Computershare Private Limited.

Members are informed that no claims shall lie in this respect once the unclaimed dividend is transferred to the Investor Education and Protection Fund.

13. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 30, 2015 (date of the last Annual General Meeting) on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) as also on the website of the Company ([www.gabrielindia.com](http://www.gabrielindia.com)).
14. Members who hold shares in physical certificate form can nominate a person in respect of all the shares held by them singly or jointly, by providing details to the Share Transfer Agent of the Company in the prescribed form.

Members holding shares in dematerialized form may contact their respective Depository Participant(s) for recording nomination in respect of their shares.

## Notice

**Notice** (Contd.)

15. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. To promote green initiative, members holding shares in demat form are requested to register their e-mail addresses through their Depository Participant and members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, by providing the details as per the below mentioned format, for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

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

17. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special business set out in the Item Nos. 5 and 6 above and additional particulars of Directors retiring by rotation and eligible for appointment / re-appointment pursuant to Regulation 36 of Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 (SEBI (LODR) Regulations, 2015) are mentioned in the **Annexure A & B**.
18. Members may also note that the Notice of the AGM and the Annual Report for FY2016 will also be available on the Company's website [www.gabrielindia.com](http://www.gabrielindia.com) for their download.
19. All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days upto the date of the AGM.
20. Facility for voting (through electronic means and by Poll) :

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the AGM, by electronic means from a place other than venue of the AGM ("remote e-voting") and the business may be transacted through such voting. Members are requested to note that remote e-voting is optional.

The facility for voting by poll shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.

The cut-off date for determining the eligibility to vote by remote e-voting or in the AGM shall be **July 22, 2016**.

The facility of casting vote through remote e-voting shall be provided by Karvy Computershare Pvt. Ltd. through their e-voting platform. In this regard, your Demat Account / Folio Number has been enrolled by the Company for your participation in remote e-voting on resolution(s) placed by the Company on e-voting system. The instructions for e-voting are mentioned in this Notice.

The Notice of the AGM of the Company inter-alia indicating the process and manner of e-voting along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://evoting.karvy.com> or <http://www.gabrielindia.com/Investor>

The remote e-voting period commences on Tuesday July 26, 2016 at 9.00 a.m. and ends on Thursday, July 28, 2016 at 5.00 p.m. During this period, the members of the Company, holding shares either in physical certificate form or in dematerialized form, as on the aforesaid cut-off date, may opt for remote e-voting. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Any person, who acquired the shares of the Company and becomes member of the Company after dispatch of AGM Notice and holding shares as on the aforesaid cut-off date may obtain the login ID and password by sending a request at E-mail ID: [einward.ris@karvy.com](mailto:einward.ris@karvy.com).

## Notice

**Notice (Contd.)**

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the aforesaid cut-off date.

The Company has appointed Ms. Savita Jyothi, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

**The instructions for E-Voting are as under:**

- i. To use the following URL for E-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials i.e. User ID and Password mentioned in E-voting instructions. Your Folio No./DP ID Client ID will be Your User ID.

User ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the Company
Password	In case of shareholders who have not registered their email addresses, their User ID and Password mentioned in E-voting instructions.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons

- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character.  
The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. "Gabriel India Limited".
- vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off date will appear. If you desire to cast all the votes assenting /dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above.  
You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
- ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed.
- x. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPEG) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail [savitajyoti@yahoo.com](mailto:savitajyoti@yahoo.com).
- xii. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- xiii. The Portal will remain open for voting from: Tuesday, July 26, 2016 at 9.00 a.m. and ends on Thursday, July 28, 2016 at 5.00 p.m. E-Voting shall not be allowed beyond said time.
- xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. S. V. Raju of Karvy Computershare Pvt. Ltd. at 040 6716 2222 or at 1800 345 4001 (toll free).



## Notice

**Notice** (Contd.)

The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or a person authorised by her in writing who shall countersign the same.

The scrutinizer shall submit her report to the Chairperson or a person authorised by her, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website: [www.gabriel.co.in](http://www.gabriel.co.in) and on the website of Karvy: <https://evoting.karvy.com>, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company Scheduled to be held on Friday, July 29, 2016.

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

By Order of the Board of Directors

Place: New Delhi  
Date: May 20, 2016

**Nilesh Jain**  
Company Secretary

**ANNEXURE A****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013  
ITEM NO. 5****Appointment of Mr. Jagdish Kumar**

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, at its meeting held on November 3, 2015 had appointed Mr. Jagdish Kumar as an Additional Director on the Board of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ('Act'), Mr. Jagdish Kumar holds office upto the date of the ensuing Annual General Meeting.

He is not dis-qualified from being appointed as director in terms of Section 164 of the Act and has consented to act as a director of the Company.

The Company has received a notice in writing pursuant to provision of Section 160 of the Act and the Rules made thereunder, regarding candidature of Mr. Jagdish Kumar for the office of Director.

Mr. Jagdish Kumar is a Commerce graduate from Sri Ram College of Commerce, University of Delhi and PGDM from Indian Institute of Management, Bangalore with specialization in Finance. He brings with him a vast experience of over 27 years in leadership and Board Management roles across Asia-Pacific. He has an established track record of delivering firm business results through careful planning, speedy execution and building organization talent.

Prior to joining ANAND Group, Mr. Jagdish Kumar was the Regional Director, Strategy and M&A, Asia Pacific for DuPont. He has also worked for companies like CMC Limited, Tata Consultancy Services and Ballarpur Industries. His extensive experience in corporate finance, M&A leading profit centers and handling multiple Joint Ventures in Asia-Pacific is invaluable for the group. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Director.

Brief resume of Mr. Jagdish Kumar as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms part of this Notice.

The Board recommends the resolution set out at Item No. 5 for the approval of members to be passed as an Ordinary Resolution.

Except Mr. Jagdish Kumar, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested financially or otherwise in the said resolution.

## Notice

**Notice** (Contd.)**ITEM NO. 6.****Appointment of Mr. Manoj Kolhatkar**

Mr. Manoj Kolhatkar was appointed as Joint Managing Director of the Company w.e.f. May 27, 2011 for a period of 5 years and was elevated as Managing Director w.e.f. September 11, 2011 by the members in their meeting held on July 28, 2011. His tenure as Managing Director of the Company is upto May 26, 2016.

Mr. Manoj Kolhatkar graduated in Mechanical Engineering from VNIT, Nagpur in 1989. He has also done a diploma in Business Management from University of Pune.

He began his career at TATA Motors and has more than 26 years of experience in the automotive Industry, having spent over 22 years with the TATA Group. Prior to joining Gabriel India Limited, he was CEO of TACO – Interiors and Plastics Division and Tata Yazaki which is now known as Yazaki Corporation.

He has an expertise in General Management. He is a member of the ANAND Executive Committee and ANAND Management Committee and serves on the Boards of two other auto component companies of ANAND Group. He also heads the Corporate Materials portfolio for the Group and Group Business Development.

During his tenure as Managing Director, the Company has improved its Profit after Tax from 4.2 % to 5.3 % i.e. a growth of 9% CAGR from financial year 2011-12 to 2015-16 and improvement in ROCE from 20.6 % to 26.8 %. He has also successfully re-structured the organization into Strategic Business Units to enhance product and customer focus in various segments of auto industry. During his tenure, the Company has inaugurated a full-fledged R&D centre in Hosur for two & three wheelers segment and increased its investment in R&D and testing facilities which has been resulted in successful product launches and awards from customers. Under his leadership, the Company has been consistently ranked among “Great Place to Work” in the auto components industry for the year 2012, 2015 and 2016.

Considering the contribution of Mr. Kolhatkar in the growth of the Company during his tenure, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 20, 2016, has re-appointed Mr. Kolhatkar as Managing Director of the Company for a further period of 5 (five) years effective from May 27, 2016 on terms and conditions including remuneration as set out in the Resolution proposed under this Item of the Notice.

Brief resume of Mr. Manoj Kolhatkar as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms part of this Notice.

The Board recommends the resolution set out at Item No. 6 for the approval of members to be passed as Special Resolution.

Except Mr. Manoj Kolhatkar, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested financially or otherwise in the said resolution.

**ANNEXURE – B****Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.****Mrs. Anjali Singh**

Name of Director	Anjali Singh
Date of Birth	10.08.1981
Date of Appointment	18.09.2014
Expertise in Functional Area	Entrepreneur
Qualifications	Bachelor's and Master's degree from the prestigious Central Martin's School of Art and Design in London.
List of other Listed Companies in which Directorships held	Nil
List of other Listed Companies in which Membership/ chairmanships of Board Committees held	Nil
Shareholding in the Company	6,41,942 equity shares

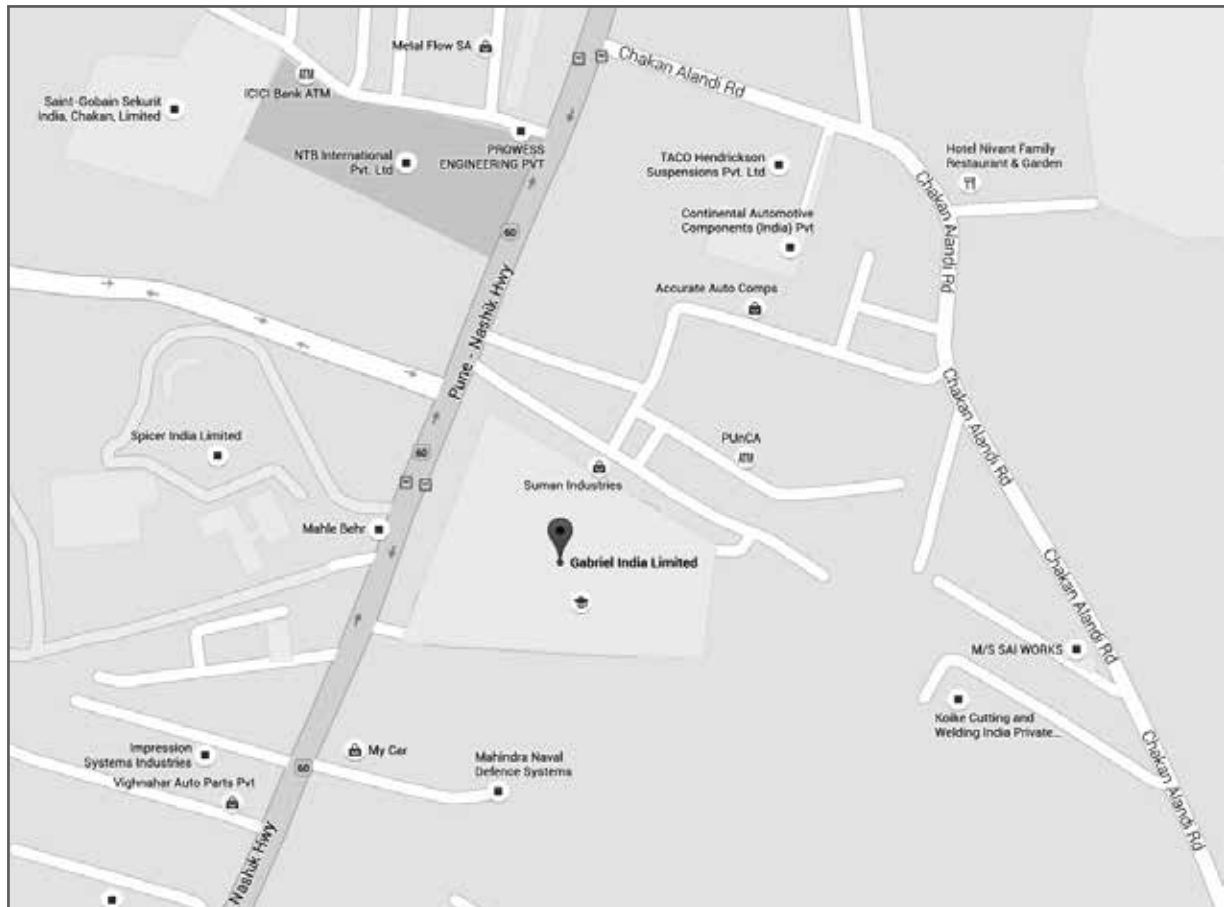
## Notice

**Notice** (Contd.)**Mr. Jagdish Kumar**

Name of Director	Jagdish Kumar
Date of Birth	16.01.1964
Date of Appointment	03.11.2015
Expertise in Functional Area	Finance
Qualifications	Commerce graduate and PGDM from Indian Institute of Management, Bangalore with specialization in Finance.
List of other Listed Companies in which Directorships held	Nil
List of other Listed Companies in which Membership/ chairmanships of Board Committees held	Nil
Shareholding in the Company	Nil

**Mr. Manoj Kolhatkar**

Name of Director	Manoj Kolhatkar
Date of Birth	29.07.1968
Date of Appointment	28.07.2011
Expertise in Functional Area	General Management
Qualifications	B.E., D.B.M
List of other Listed Companies in which Directorships held	Nil
List of other Listed Companies in which Membership/ chairmanships of Board Committees held	Nil
Shareholding in the Company	4,000 equity shares

**Road map of AGM Venue**

**GABRIEL****GABRIEL INDIA LIMITED**

CIN : L34101PN1961PLC015735

Regd. Office: - 29th Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501, Maharashtra, India

Ph. No. +91 (2135) 610793, Fax No. +91 (2135) 610796

Email Id: secretarial@gabriel.co.in, Website: www.gabrielindia.com

**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

54<sup>th</sup> Annual General Meeting – July 29, 2016

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_  
\_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No. / Client ID 

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DP ID 

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I /We, being the member(s) holding \_\_\_\_\_ shares of the above named company, hereby appoint

Name : \_\_\_\_\_ Email : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him / her

Name : \_\_\_\_\_ Email : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him / her

Name : \_\_\_\_\_ Email: \_\_\_\_\_

Address : \_\_\_\_\_ Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Friday, July 29, 2016, at 2.30 p.m. at Auditorium, Gabriel India Limited, 29<sup>th</sup> Milestone, Pune – Nashik Highway, Village – Kuruli, Taluka – Khed, Pune – 410 501 , Maharashtra , India and at any adjournment thereof in respect of such resolutions as are indicated below :

## Proxy Form

Resolution No.	Resolution(s)	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	To receive, consider and adopt Audited Financial Statements of the Company for the Financial year ended March 31, 2016 and Reports of Board of Directors and Auditors thereon.			
2	To declare final dividend for the financial year 2015-16.			
3	To appoint a Director in place of Mrs. Anjali Singh (DIN: 02082840), who retires by rotation and being eligible offers herself for re-appointment.			
4	To appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Registration No. 105102W) as Statutory Auditors of the Company to hold the office for a period of 5 (Five) consecutive years from the conclusion of this Annual General Meeting.			
<b>Special Business:</b>				
5	To appoint Mr. Jagdish Kumar (DIN: 00318558) as Non-Executive Director, eligible to retire by rotation.			
6	To re-appoint Mr. Manoj Kolhatkar (DIN : 03553983), as Managing Director of the Company for a period of 5 (five) years with effect from May 27, 2016.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature of the member

\_\_\_\_\_  
Signature of the proxy holder(s)

Affix  
revenue stamp  
of not less than  
Re. 1/-

## Notes :

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

  
**GABRIEL****GABRIEL INDIA LIMITED**

CIN : L34101PN1961PLC015735

Regd. Office: - 29th Milestone, Pune-Nashik Highway, Village Kuruli, Tal. Khed, Pune – 410501, Maharashtra, India

Ph. No. +91 (2135) 610793, Fax No. +91 (2135) 610796

Email Id: secretarial@gabriel.co.in, Website: www.gabrielindia.com

**ATTENDANCE SLIP**54<sup>th</sup> Annual General Meeting – July 29, 2016

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

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Number of Shares held

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

I hereby record my presence at the 54th Annual General Meeting of the Company at the Auditorium, Gabriel India Limited 29th Milestone, Pune – Nashik Highway, Village – Kuruli, Taluka – Khed, Pune – 410501, Maharashtra, India, on Friday, July 29, 2016, at 2.30 p.m.

\_\_\_\_\_  
Name of the member / proxy  
(in BLOCK letters )

\_\_\_\_\_  
Signature of the members / proxy

**Note:**

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

*Attendance Slip***IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the members from the Company’s website i.e. [www.gabrielindia.com](http://www.gabrielindia.com). To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far, are requested to register their e-mail address by sending e-mail to [secretarial@gabriel.co.in](mailto:secretarial@gabriel.co.in) with subject as ‘E-mail for Green Initiative’ mentioning their Folio No. / DP Id & Client Id. Members holding shares in electronic form may register / update their e-mail address with the Depository through their concerned Depository Participant(s).

## **GABRIEL**

**GABRIEL INDIA LIMITED**

29TH MILESTONE, PUNE-NASHIK HIGHWAY  
VILLAGE KURULI, TALUKA KHED  
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