



GABRIEL



Gabriel India Limited
29, Milestone Village Kuruli, Pune Nashik Highway, Taluk Khed,
Pune - 410 501, Maharashtra, India
www.gabrielindia.com

GABRIEL



annual report
2011-12

Gabriel India Limited
COMPANY PROFILE AND FINANCIALS



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GABRIEL



GABRIEL INDIA LIMITED

Deep C Anand
Chairman Emeritus

BOARD OF DIRECTORS

Deepak Chopra
Chairman

Manoj Kolhatkar
Managing Director

Russi Jal Taraporevala
HR Prasad
Rajeev Vasudeva
Gurdeep Singh
Mahendra Goyal

SR. VICE PRESIDENT FINANCE

Kawal Jaggi

COMPANY SECRETARY

Anshul Bhargava

CORE MANAGEMENT TEAM

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

BANKERS

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

AUDITORS

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

CORPORATE OFFICES

1 Sri Aurobindo Marg
New Delhi - 110 016

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

REGISTERED OFFICE

29th Milestone, Pune-Nashik Highway
Village Kuruli, Taluka Khed
Pune - 410 501 (Maharashtra)
Tel: 02135 - 610700 / 610757
Fax: 02135 - 261200
Email: secretarial@gabriel.co.in

Company Highlights

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

Vision

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

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



Company Profile

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

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

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

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

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

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

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

REDEFINING RIDE COMFORT

Manufacturing Facilities

TWO WHEELERS

AMBAD

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



HOSUR

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



PARWANOO

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



Manufacturing Facilities

COMMERCIAL VEHICLES

DEWAS

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



CASTING FACILITY

CHAKAN

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



Manufacturing Facilities

PASSENGER CARS

KHANDSA - GURGAON

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



CHAKAN - PASSENGER CARS FACILITY

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



SANAND - PASSENGER CARS FACILITY

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



Functional Overview

TECHNOLOGY

R&D ACTIVITIES 2011-12

GENERAL:

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

INVESTMENTS:

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

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

PRODUCT & PRODUCT INNOVATIONS

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

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

OTHER ACTIVITIES

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

Marketing Overview

Exports

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

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

Domestic OEM

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

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

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

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

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

Replacement Market

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

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

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

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

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

Awards & Recognition

FICCI PLATINUM AWARD

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

YAMAHA MOTORS 'DELIVERY PERFORMANCE AWARD'

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

BAJAJ SILVER AWARD

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

SUZUKI MOTORCYCLE QUALITY PERFORMANCE AWARD

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

BAJAJ AUTO 'GOLD' AWARD

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

TVS 'QUALITY IMPROVEMENT' AWARD

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

PIAGGIO VEHICLES 'BEST SUPPLIER' AWARD

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

'EXCELLENT' VENDOR QUALITY RATING BY TATA MOTORS

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

MARUTI SUZUKI SHIELD AWARD

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



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



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



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

Gabriel People Practices

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

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

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

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

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



Corporate Social Responsibility

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



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

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



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



Gabriel, Hosur sponsors JET Toy Olympics

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

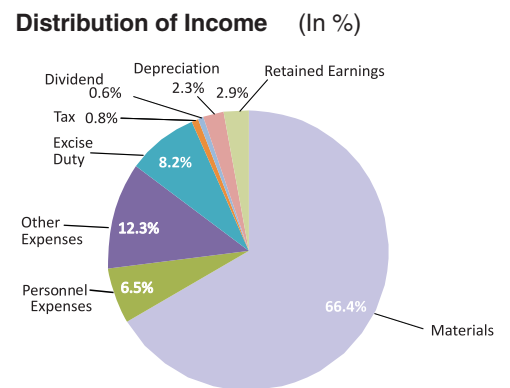
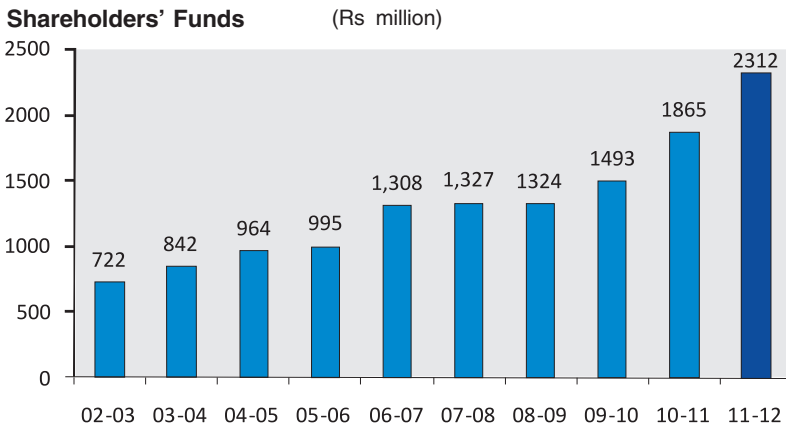
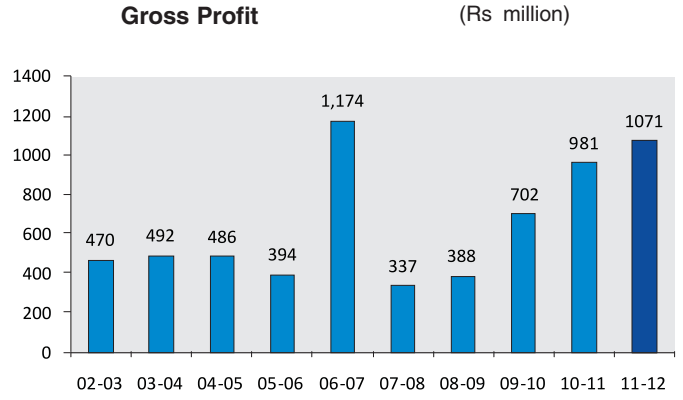
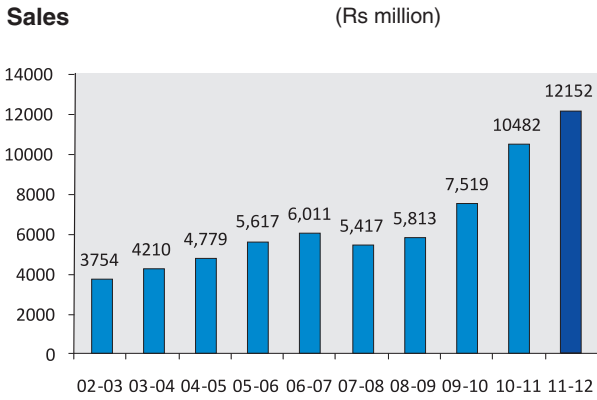
The group also runs an educational institution - the Himachal Primary School, a hostel for working women and a dispensary for the residents of Parwanoo. Anand employee participation in the Foundation's activities is integral to the volunteering spirit promoted by the group.

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

Financial Highlights

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

Financial Highlights



Working Results at a Glance

Year	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12
	Rs Million									
Share Capital	72	72	72	72	72	72	72	72	72	72
Reserves & Surplus	650	770	892	923	1,236	1,255	1,252	1,421	1,794	2,241
Shareholders Funds	722	842	964	995	1,308	1,327	1,324	1,493	1,865	2,312
Loans	1,050	971	913	1,033	736	1,461	1,569	1,488	1,512	1,230
Deferred Tax Liability	233	237	217	195	106	104	106	141	157	133
Funds Employed	2,005	2,050	2,094	2,222	2,150	2,892	2,999	3,122	3,534	3,676
Fixed Assets(Gross)	2,302	2,454	2,545	2,729	2,251	2,786	3,218	3,479	3,933	3,966
Depreciation	918	1,055	1,200	1,352	1,070	1,193	1,306	1,514	1,724	1,791
Net Block	1,384	1,399	1,345	1,377	1,181	1,593	1,912	1,965	2,209	2,175
Investments	10	10	10	10	10	143	133	133	133	0
Net Current Assets	611	641	739	836	960	1,157	954	1,023	1,192	1,500
Net Assets Employed	2,005	2,050	2,094	2,222	2,150	2,893	2,999	3,122	3,534	3,676
	Rs Million									
Sales	3,754	4,210	4,779	5,617	6,011	5,417	5,813	7,519	10,482	12,152
Gross Profit	470	492	486	394	1,174	337	388	702	981	1,071
Interest	130	84	70	83	66	75	163	148	171	170
Depreciation	137	146	153	158	127	138	153	202	219	276
Profit/(Loss) Before Tax	203	262	263	153	981	124	72	352	591	624
Tax	86	95	84	64	250	47	16	112	120	94
Prior Period Item (net of tax)									17	
Profit/(Loss) After Tax	117	167	179	88	731	76	56	240	453	531
	Rs									
Dividend per Share	5.0	6.0	7.0	0.9	0.7	0.9	0.7	0.9	1.0	1.0
Earnings per Share	16.4	23.2	24.9	1.2	0.8	3.3	0.8	3.4	6.3	7.4
	Million Nos									
Production										
Shock Absorbers,										
Struts & Front Forks	8.0	8.8	9.8	10.9	12.4	11.8	10.8	14.6	18.4	19.6
Bimetal Bearings	7.9	7.7	8.9	9.2	-	-	-	-	-	-

Note : Figures for 05-06 onwards have been worked out on Re. 1 face value per equity share. For the earlier years, it has been worked out on Rs. 10 face value per equity share.

Notice

NOTICE is hereby given that the Fiftieth 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 Tuesday, 21st August, 2012 at 2.30 p.m. to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2012, the Balance Sheet as at that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Chopra, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Russi Jal Taraporevala, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 Mr. Mahendra Goyal who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Ms. Padmini Khare Kaicker under section 262 of the Companies Act, 1956 by the Board of Directors in their meeting held on 27th May, 2011 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received from member , a notice ,in writing, under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company and that Mr. Mahendra Goyal will be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 read with the relevant provisions contained in the Articles of Association of the Company, and pursuant to the Guidelines issued by the Ministry of Corporate Affairs vide its General Circular No. 27/2011 and General Circular No. 28/2011 dated 20th May, 2011, the consent of the Members of the Company be and is hereby granted for conducting the meeting of the Board of Directors of the Company and General Meeting of the Members of the Company by electronic mode and to make following alterations in the Articles of Association of the Company:

The interpretation clauses relating to “Board Meeting” or “Board of Directors Meeting” and “General Meeting”; as given in Clause 2 of the Articles of Association of the Company be substituted by the following clauses:

“Board Meeting” or “Board of Directors Meeting” means a meeting of the Directors duly called and constituted, including a meeting held through the electronic mode or otherwise, or, as the case may be, the Directors assembled as a Board, or the Directors of the Company collectively.

“General Meeting” means a meeting of Members, including a meeting held through the electronic mode or otherwise.

The following clauses be introduced in ‘Part XIII’ and Part ‘XVII’ of the Articles of Association of the Company respectively:

Conducting of the General Meeting of the Members of the Company through Electronic mode

: A General Meeting of the Members of the Company can be conducted through Electronic mode at the discretion of the Board of Directors of the Company by use of electronic techniques like video conferencing, etc. and such General Meetings conducted through use of electronic techniques would be considered as a duly conducted General Meeting subject to fulfillment of such conditions; with regard to conducting of General Meeting by electronic mode and capturing of accurate voting processes at such General Meetings; as may be prescribed in this behalf by the Ministry of Corporate Affairs from time to time.

Conducting of the Meeting of the Board of Directors of the Company through Electronic mode

: A Meeting of the Board of Directors of the Company could be conducted through Electronic mode at the discretion of the Board of Directors of the company by use of Electronic techniques like video conferencing, etc. and such meeting conducted through use of electronic techniques would be considered as a duly conducted Board Meeting subject to fulfillment of such conditions with regards to conducting of Board Meeting by electronic mode and capturing of accurate voting processes at such Board Meetings as may be prescribed in this behalf by the Ministry of Corporate Affairs from time to time.

RESOLVED FURTHER THAT in the best interest of the stakeholders of the Company and in line with the best prevailing Corporate Governance practices, and with an intention to avoid any ambiguity in the Interpretation of the Articles of Association of the Company, the draft of new set of Articles of Association of the Company as placed before the members; and wherein the aforementioned alterations/additions relating to conducting of Board Meetings and General Meetings by electronic mode have been duly inculcated and included; be and is hereby adopted as the Articles of Association of the Company with immediate effect, in substitution of the whole of the existing set of Articles of Association of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things including filing of necessary E-forms with the Ministry of Corporate Affairs, as may be necessary to give effect to the foregoing resolution”.

Place : Mumbai
Date : May 30, 2012

By Order of the Board
For Gabriel India Limited

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

Anshul Bhargava
Company Secretary

Notes:

1. **Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the company. The instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.**
2. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th August, 2012 to Tuesday, 21st August, 2012 (both days inclusive).
4. Members are advised that respective bank details and address as furnished by them or by NSDL / CDSL to the Company, for shares held in the certificate form and in the dematerialized form respectively, will be printed on their dividend warrants as a measure of protection to Members against fraudulent encashment.
5. Members holding shares in the certificate form are requested to notify / send the following to the Company's Registrars and Share Transfer Agents, **Karvy Computershare Private Limited (Unit: Gabriel India Limited) at 'Karvy House', Plot No. 17-24, Vittalraonagar, Madhapur, Hyderabad - 500 081, (Tel. 040 23312454 / 23320751 / 752 / 251 ; Fax : 040 23311968, 23323049, email : einward@karvy.com) to facilitate better servicing :**
 - i) any change in their address / mandate / bank details,
 - ii) particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
6.
 - a. Members are also requested to note that unclaimed / unpaid dividends upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims to the Registrar of Companies, PMT Building, 2nd Floor, Deccan Gymkhana, Pune - 411 004 by submitting an application in the prescribed Form No. II.
 - b. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend for the financial year ended March 31, 2005, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government later this year.

Members who have not encashed their dividend warrants for the financial year ended 31st March, 2005, or any subsequent years are requested to lodge their claim with the Company's Share Transfer Agents, Karvy Computershare Private Limited.

Members are advised that no claims shall lie in this respect once the unclaimed dividend is transferred to the Investor Education and Protection Fund
7. Additional particulars of Directors retiring by rotation and eligible for appointment /re-appointment pursuant to Clause 49 of Listing Agreement are mentioned in the enclosed Table A & B.
8. Members desirous of making a nomination in respect of their shareholders, as permitted by section 109A of the Companies Act, 1956, are requested to write to the Share Transfer Agent of the Company for the prescribed form.
9. The company's shares are listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The listing fees for these exchanges have been paid.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5****Mahendra Goyal**

Mr. Mahendra Goyal was appointed as a Director of the Company with effect from 27th May, 2011 in casual vacancy caused by resignation of Ms. Padmini Khare Kaicker. In accordance with the provisions of Section 262 of the Companies Act, 1956, Mr. Mahendra Goyal holds office up to date of ensuing Annual General Meeting of the Company.

Notice, in written, along with deposit of Rs. 500, has been received by the Company from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Mahendra Goyal as a candidate for the Office of Director of the Company.

Your Directors feel that the company would benefit from rich and varied experience possessed by Mr. Mahendra Goyal. The Directors, therefore recommend his appointment.

Name of Director	Mahendra Goyal
Date of Birth	1.11.1969
Date of Appointment	27.05.2011
Expertise in Functional Area	Finance
Qualifications	C.A, C.S, ICWA
No. of Shares held	4100 Equity Shares
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. Anand Automotive Limited 2. Federal-Mogul Bearings India Limited 3. Chang Yun India Limited 4. Haldex India Limited 5. Perfect Circle India Limited 6. Spicer India Limited 7. Victor Gaskets India Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee and Investor Grievance Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Federal-Mogul Bearings India Limited- Audit Committee & Remuneration Committee 2. Haldex India Limited – Audit Committee 3. Perfect Circle India Limited – Audit Committee 4. Spicer India Limited – Audit Committee 5. Victor Gaskets India Limited – Audit Committee 6. Chang Yun India Limited – Audit Committee

Except Mr. Mahendra Goyal, none of the Directors of the Company are in any way concerned or interested in the said resolution.

ITEM NO. 6

The Ministry of Corporate Affairs of Government of India while exercising the powers conferred to it by the Companies Act, 1956 has; as a part of its green initiatives in Corporate Governance; notified vide its General circular No. 27/2011 dated 20th May, 2011 and General Circular No. 28/2011 dated 20th May, 2011, Guidelines regarding 'Participation by Directors in meeting of Board/ Committee of Directors under the Companies Act, 1956 by Electronic mode' and 'Participation by shareholders in General Meetings under the Companies Act, 1956 through Electronic mode'. And accordingly, the participation by Directors/ Members in Board Meeting and General Meeting through Video Conferencing, etc. subject to the compliance of guidelines prescribed by the Ministry of Corporate Affairs in the aforementioned circulars is now enabled.

Accordingly, given the size and extent of operations of the Company, and given the fact that the Company being a listed Company with its shareholders spread throughout the country; it would be in the best interest of the Company that the meeting of the Board of Directors of Company and General Meeting of its members be allowed to be conducted through electronic

mode, as and when required. Such conducting of Board Meetings and General Meetings through electronic mode would also be a significant step towards implementing the Corporate Governance initiatives by the Company.

However, for the purpose of enabling the conducting of Meetings of the Board of Directors and/or General Meetings of the members of the Company by Electronic Mode, certain interpretation clauses given in the Clause 2 of the Articles of Association of the Company needs to be altered and certain new clauses need to be introduced in the 'Part XIII' and 'Part XVII' of the Articles of Association.

Further, since the Incorporation of the Company, the Articles of Association of the Company have endured several alterations and various new clauses have been added/alterd in the Articles of Association from time to time. Such new clauses were numbered in alphanumeric series and thus, various identically numbered clauses viz. Clause '8' & '8A'; Clause '64', '64A' & '64B'; Clause '106' & '106A' etc. are appearing in the Articles of the Association of the Company. Such identical numbering of clauses cause ambiguity for outsiders in interpretation and keeping in view the interest of the Stakeholders and following best prevailing Corporate Governance practices it is also proposed to adopt new set of Articles of Association of the Company wherein all the existing clauses of the Articles of Association of the Company are consequently numbered in numerical series.

Accordingly, pursuant to the provisions of Section 31 of the Companies Act, 1956; it is proposed to obtain the consent of the members of the Company at the proposed Annual General Meeting, for altering/inserting relevant clauses in the Articles of Association of the company and adopting the new set of Articles of Association of the Company, by passing a Special Resolution to this effect.

The draft of new set of Articles of Association of the Company proposed to be adopted at the concerned General Meeting, inculcating therein proposed relevant alterations/additions for enabling/conducting of Board Meeting and General Meeting through Electronic Mode would be placed in the meeting.

None of the Directors of the Company are interested in the said resolution.

Place : Mumbai
Date : May 30, 2012

By Order of the Board
For Gabriel India Limited

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

Anshul Bhargava
Company Secretary

ANNEXURE - 'A'

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

Mr. Deepak Chopra

Name of Director	Deepak Chopra
Date of Birth	25.12.1954
Date of Appointment	21.5.2008
Expertise in Functional Area	Operations, Management & Finance
Qualifications	C.A, CS & Advanced Management Program (Oxford)
No. of Shares held	82500 Equity Shares
List of other Companies in which Directorships held:	1. AFM India Limited 2. Behr India Limited 3. Dytek India Limited 4. Henkel Teroson India Limited 5. Spicer India Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee & Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	1. Spicer India Limited - Audit Committee 2. Henkel Teroson India Limited- Audit Committee

ANNEXURE - 'B'

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

Mr. Russi Jal Taraporevala

Name of Director	Russi Jal Taraporevala
Date of Birth	08.09.1932
Date of Appointment	20.04.1962
Expertise in Functional Area	Economics, Finance & Management
Qualifications	MBA (Berkeley, California), M.Sc. (Economics) (London) B.Com. Bombay
No. of Shares held	259260 Equity Shares
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. Standard Industries Limited 2. Stanrose Mafatlal Investments & Finance Limited 3. D.B Taraporevala Sons & Co. Private Limited 4. Taraporevala Publishing Industries Private Limited
Memberships/Chairmanships of Committees of Directors of the Company	<ol style="list-style-type: none"> 1. Investor Grievance Committee 2. Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Standard Industries Limited :- Audit Committee, Remuneration Committee & Investor Grievance Committee 2. Stanrose Mafatlal Investment & Finance Limited :- Audit Committee & Investor Grievance Committee

Report of the Board of Directors

Your Directors take pleasure in presenting the Fiftieth Annual Report together with the Audited Accounts for the year ended March 31, 2012.

Financial Highlights	Year ended March 31, 2012* (Rs Million)	Year ended March 31, 2011 (Rs Million)
Net Sales	11,152.8	9,617.0
Profit before Interest and Depreciation	1,070.9	981.1
Interest	170.1	171.3
Depreciation	276.4	219.0
Profit / Loss before Tax	624.4	590.8
Provision for Current Tax (Net of MAT credit)	133.5	142.2
Provision for Deferred Tax	(15.9)	15.8
Profit / Loss after Tax for current year	506.8	432.8
Provision for Tax for earlier years	(23.8)	(37.8)
Prior period item (Net of Tax)	-	17.2
Profit / Loss after Tax	530.6	453.4
Dividend		
Interim	28.7	21.6
2nd Interim	43.1	50.3
Dividend Tax	11.8	11.9
Transfer to / (from) General Reserve	53.1	45.3

* Subject to the approval of Shareholders

Dividend

Your Directors had declared an Interim dividend of Re. 0.40 per equity share of Re. One each (Previous Year Re. 0.30 per equity share). This dividend amounted to Rs. 28.7 Million (Previous Year Rs. 21.6 Million). The same was distributed to shareholders whose names appeared on the Register of Members as on 25th November, 2011.

Your Directors have declared 2nd Interim dividend in the Board Meeting dated May 30, 2012 of Re. 0.60 per equity share of Rs. One each. The dividend would amount to Rs. 43.1 Million. The same will be distributed to shareholders whose names would appear on the Register of Members as on 12th June, 2012.

Bonus

Your Directors have recommended Bonus Shares in the ratio of 1 (One) equity share of Re.1 each for every 1 (One) equity share of Re.1 each by capitalization of Securities Premium/ General Reserve Account or such other eligible accounts in the Books of the Company aggregating to Rs.7,18,21,970/-, in the Board Meeting dated May 30, 2012, subject to approval of the Shareholders in the Extra Ordinary General Meeting to be held on July 2, 2012 and other statutory approvals, if any.

INDIAN ECONOMY

In 2011-12, in spite of uncertain global circumstances like Euro-zone crisis, natural calamities, political upheavals and high inflation in India, the country registered an average Growth rate of 6.9%.

Today, India is emerging as one of the key auto component hub in Asia and is expected to play a significant role in the global automotive supply chains in the near future. The Overall Sales Growth in the auto sector during the Year was 14%. Passenger

Vehicle segment recovered marginally at 4% over the same period last year. The overall Commercial Vehicle (C.V.) segment registered growth of 19% during the year mainly driven by sub-2T category. Two Wheelers registered growth of 15% during the year.

During the year overall automobile exports registered growth rate of 21%. Passenger vehicles registered growth in exports at 14%, two & three wheelers registered a growth of 27% and 34% in exports respectively.

PERFORMANCE

With the Net sales at Rs.11,153 Million, (Previous Year Rs. 9,617 Million), the Company registered a growth of 16%, which is slightly higher than the industry trend. The Profit After Tax of Rs. 530.6 Million (Previous Year Rs. 453.4 Million) grew by 17%. As a result, the Earnings Per Share rose to Rs. 7.39 from Rs. 6.31 in the previous year.

EXPORTS

The total exports of the Company grew from Rs. 292 million in the last year to Rs. 553 Million in the current year – a growth of 90%.

Exports to Renault & Ride Control LLC (erstwhile Arvin Meritor, USA) have helped to increase exports substantially. Company now is focusing on business opportunities for 2 wheeler market as well. The Company entered the 3 and 4 wheeler After Market segments in the Middle East. The Company is also focusing on private branding business in Asia Pacific Region.

AFTER MARKET

After Market recorded a growth of 16% in the current year by achieving a sales of Rs. 1,040 Million. There was a substantial improvement in the market share in 2/3 wheeler segments.

OPERATIONS

- 1. Parwanoo (Himachal Pradesh):** The Plant at Parwanoo has matured in most of the segments - GRC shox, SOQI shox, McPherson struts and Front forks. The steady growth in all these product lines is seen during the year in all segments - OE and After Market. The growing sub 2T market has offered the plant an opportunity via supplies to Tata-ACE. The plant is in the phase of consolidating its supply chain to meet growing demand in the future. The substantial expansion at Parwanoo in the area of McPherson Struts and GRC shock absorber was realized within the eligibility period of the tax incentive scheme.
- 2. Khandsa (Haryana):** It has been a dedicated facility for Maruti-Suzuki India Ltd. However, in order to improve the plant utilization company is adding new businesses for customers like Tata and Honda at Khandsa. The plant has undergone a re-layout and right sized in line with Lean Manufacturing Concepts to improve the competitiveness and quality.
- 3. Chakan (Maharashtra):** Major revamping of the plant along with Visionary Small & Medium Enterprises (VSME) initiative is now maturing and showing positive results on plant's business performance. These steps have helped the plant to increase its volume and productivity substantially. The quality performance is also showing improving trend. New customers like Volkswagen and Renault – Exports, now contribute to a substantial share of its business.

Aluminium Casting Facility :

This facility produces special Aluminum castings for front forks. The facility is now fully matured and the company is focusing on increasing plant efficiency, quality and reduction of carbon foot print by using innovative technology solutions.

- 4. Ambad (Maharashtra):** This plant is a steady performer. Its volumes are showing increasing trend with addition of new customer base i.e. Yamaha Motorcycles and Mahindra 2 wheelers. Recently, the plant was awarded the Platinum Excellence award by FICCI for Quality Systems & won the Bajaj Auto Quality - Gold and TPM Excellence Award. The plant expansion is under progress to increase its capacity in Front Fork area.
- 5. Hosur (Tamil Nadu):** This plant has shown substantial growth during FY 11-12 due to steep increase in volumes from

Suzuki and Yamaha Motor cycles. It has made record production of Front Forks during this period. Substantial capacities have already been added to meet future requirements of customers.

Recently, the plant has acquired substantial business from Honda Motorcycles for their new operations near Bangalore. In future, the plant will focus on sharpening its business performance through productivity and quality improvement. It will also start VSME for improving supplier quality.

Hosur plant has won several awards from various customers for consistent performance in Quality, Cost and Delivery.

Adjacent plot of 0.55 acres has been acquired to build a "State of the Art" Tech Centre for 2 wheeler.

6. **Dewas(Madhya Pradesh):** This plant is dedicated to production of shock absorbers for all commercial vehicles and utility vehicles. The products are highly robust and cost effective. New customers namely Daimler - Heavy Commercial Vehicles and Ashok Leyland Nissan have been added to its list of customers. The plant has made record deliveries in the last quarter of 2011-12. Its export orders to North America are also on increase.
7. **Sanand(Gujarat):** This plant is set up as a dedicated facility for Tata Nano at Sanand for carrying out final assembly operations. Since October 2011 the volumes have steadily grown with increase in the sales of Nano car. The plant has also won an award from Tata Motors in Kaizen competition.

Fixed Deposits

Fixed deposits at the end of the year were Rs.255.4 Million (Previous year Rs.357.1 Million).

Technology Tie -up

The Company continues its association with Technology partners KYB Japan who now own a 5.53% stake in the Company bought from the company's erstwhile collaborator Arvin Meritor, USA. Company continues its technical tie-up with KYBSE, Spain in four-wheelers and Yamaha Motor Hydraulic System Company Limited for two-wheelers.

The Company also has an in-house state of the art Research and Development facility at Chakan and Hosur which have design and development competency to meet the latest requirements of its customers.

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

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

Directors

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

Director's Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the Profit and Loss Account for the year ended March 31, 2012;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

Corporate Governance

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

Auditors

Messers BK Khare & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the proposed re-appointment, if made, will be in accordance with sub-section (1B) of Section 224 of the Companies Act, 1956.

Employee Relations

Employee relations were cordial at all locations.

A number of initiatives are being taken for all employees - Operating Engineers as well as staff for enhancing "employee value". This includes skill enhancement, training and soft skills development. Coaching/guidance for selected talent is also included. This initiative is aimed at preparing the Company for high growth in the coming years. To give improved visibility to the employees about their Key Result areas and the Company's objectives, a Large Scale Integration Program (LSIP) was successfully conducted.

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

Particulars of Employees

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

Acknowledgements

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

For and on behalf of the Board

Place : Mumbai
Date : May 30, 2012

Deepak Chopra
Chairman

Annexure to the Directors' Report

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012

I. Conservation of Energy

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

1. Solar lighting for building
2. Balanced load distribution for electric power thereby improving power factor and reducing power consumption
3. Variable frequency drives to optimize power consumption in air handling units and exhaust systems
4. Reduced consumption of diesel & Furnace oil for generating electricity / heating
5. Reduced consumption of LPG by efficient use of melting furnaces and paint lines
6. Energy efficient heat treatment equipment for shock absorbers

II. Particulars as per Form B

Research and Development (R&D)

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

- a) 4 patents filed / under filing for product / process technology
- b) Developed new McPherson Strut and gas charged shock absorber for a global OEM
- c) New design commercial vehicle shock absorber was launched for niche market in Australia
- d) Durability machine for high speed testing for 2 wheelers and 4 wheelers to new OEM requirements
- e) Developed innovative mold design for front fork outer tube casting to improve yield %
- f) Developed auto crack detection system for piston rods
- g) New shock absorber for 2 wheelers developed with special features to improve handling (HDLV Technology)
- h) New front fork developed for better comfort with hydraulic cushion (HCFF)
- i) Light weight Super Safe McPherson Strut with hollow piston with enhanced safety (LWSS)
- j) Developed "State of Art" laser welding process for McPherson Struts

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

- a) Cost reduction
- b) Improvement in performance as well as productivity
- c) Longer life for component and warranty cost reduction
- d) Revenue growth through value added services
- e) Focused attention to import substitution / localization to meet cost pressure from user
- f) Technology edge

3. Future plan of action

- a) Company is focusing on refining product and process technology to achieve benchmark performance in ride and control in 2-3 years. Special focus will be given in developing better quality for critical components.

4. Expenditure on R&D

	Rs. Million
Capital	: 25.13
Recurring	: 70.50
Total	: 95.63
Total R&D expenditure as percentage of total turnover	: 1%

Technology Absorption, Adaptation and Innovation

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

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

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

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

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

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

Technology imported	Year of Import
i) McPherson Struts and Shock Absorbers from Arvin Ride Control Products, USA.	1997 & renewal 2004
ii) Front Forks and Shock Absorbers from SOQI Hydraulic System Co Ltd, Japan (Subsidiary of Yamaha, Japan).	1999 & renewal 2005
iii) Front Forks and Shock Absorbers (Additional applications) from Yamaha Motor Powered Products Company Limited, Japan.	2001 & renewal 2008
iv) McPherson Struts and Shock Absorbers from Kayaba Industry Co. Ltd, Japan.	1995 & renewal 2004
v) Shock Absorbers from ArvinMeritor LVS Ride Control Division.	Renewal 2005
vi) McPherson Struts and Shock Absorbers from S&T Daewoo Company Ltd., Korea.	2005
vii) Shock Absorbers and Struts from KYB Suspensions, Europe, SA.	2006
viii) Front Forks, Shock Absorbers and Aluminum, Castings for Front Forks from Kayaba Industry Co. Ltd, Japan.	2008
ix) Gas Shock Absorbers and Struts from S & T Daewoo, Korea.	2008
x) Dynachrome plating for Piston Rods from Germany.	2008

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

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

III. Foreign Exchange Earnings and Outgoings

Total foreign exchange earned and used:

Earnings	Rs. 520 Million	(Previous year Rs. 264 Million)
Outgoings	Rs. 1,716 Million	(Previous Year Rs. 1,390 Million)

For and on behalf of the Board

Place : Mumbai
Date : May 30, 2012

Deepak Chopra
Chairman

Report on Corporate Governance

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

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

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

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

2. Board of Directors

- Composition

The strength of the Board of Directors as on March 31, 2012 was 7 Directors. The Board comprises of one Executive Director designated as Managing Director. The rest are Non-Executive Directors. The Board meets the requirement of not less than one third being Independent Directors.

Details of Board Meetings held during the financial year 2011-12

Dates of Meetings	Board Strength	No of Directors Present
27th May, 2011	8	6
11th August, 2011	9	7
14th November, 2011	8	6
14th February, 2012	7	5
9th March, 2012	7	7

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

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

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

Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships held in Public Limited Companies		
		Shares held by Directors as on 31st March, 2012	Board Meetings	Last AGM	Directorships*	Committee Memberships*	Committee Chairmanships
Mr. Prakash Kulkarni *	EC	-	Nil	N.A.	1	1	0
Mr. Deepak Chopra	NEC	82500	5	Yes	5	-	2
Mr. Arvind Walia #	NED	-	2	Yes	3	2	Nil
Mr. Manoj Kolhatkar\$	MD	2000	5	Yes	NIL	Nil	Nil
Mr. Russi Jal Taraporevala	N.E.D. I	259260	4	Yes	2	4	1
Ms. Padmini Khare Kaicker@	N.E.D. I	-	1	N.A	0	0	0
Mr. Mahendra Goyal +	N.E.D.	4100	5	Yes	7	6	2
Mr. Rajeev Vasudeva	N.E.D. I	0	3	Yes	0	0	0
Mr. Gurdeep Singh	N.E.D. I	15000	3	Yes	5	2	2
Mr. H. R. Prasad	N.E.D. I	22000	5	Yes	3	1	2
Mr. John A Crable^	N.E.D.	0	0	Yes	0	0	0

* Mr. Prakash Kulkarni resigned w.e.f. 20th May, 2011

#Mr. Arvind Walia resigned from the post of Managing Director w.e.f. September 1, 2011 and further resigned from the Board w.e.f. 2nd November, 2011.

\$ Mr. Manoj Kolhatkar was appointed as Joint Managing Director w.e.f. May 27, 2011 and Managing Director w.e.f. September 1st, 2011

@ Ms. Padmini Khare Kaicker resigned w.e.f 27th May, 2011

+ Mr. Mahendra Goyal was appointed on May 27th, 2011 as Director in Casual Vacancy caused by resignation of Ms. Padmini Khare Kaicker

^ Mr. John A. Crable resigned w.e.f. 11th November, 2011

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

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

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

3. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company on December 29, 2005. The Code of Conduct has been posted on the website of the company. All Board Members and Senior Management personnel have affirmed compliance with the code. A declaration to this effect signed by the Managing Director is enclosed separately. (Refer Appendix 1)

4. Audit Committee

After the introduction of the amendment to Section 292A of the Companies Act 1956, the Audit Committee was reconstituted in January 2001 and subsequently reconstituted in May 2006, in May 2008 and May 2011. This Audit Committee had five meetings during the year 2011-12. The composition of Audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of meetings attended
Mr. H.R. Prasad #	Chairman	5
Mr. Rajeev Vasudeva	Member	3
Mr. Gurdeep Singh	Member	3
Mr. Deepak Chopra	Member	5
Mr. Mahendra Goyal	Member	5

Mr. H.R. Prasad appointed as Chairman of the Audit Committee w.e.f. 27th May 2011

Members of the Audit Committee are eminent professionals and financially literate. One member has expertise in

the field of Taxation, Accounting and Corporate Laws.

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

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

- Review of the Company's financial reporting process, and its financial statements
- Review of accounting and financial policies and practices
- Review of the internal control and internal audit system
- Review of risk management policies and practices
- Before the audit commences, discuss with the statutory auditors the nature and scope of audit as well as have post audit discussions to ascertain any areas of concern
- Review of related party transactions
- Review of process laid down for risk assessment and minimization procedure

5. Remuneration to Directors

(A) Remuneration Committee:

The composition of the Remuneration Committee is as follows:

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

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

The Remuneration Committee was constituted on May 14, 2001 and subsequently reconstituted in May 2006, May 21, 2008 and May 27, 2011. One Meeting was held during 2011-12 on 27th May, 2011.

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

Remuneration Policy:

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

(B) Details of the remuneration paid to Executive Chairman and Managing Director during the year 2011-12 are given below: -

Name of Executive Directors	All elements of remuneration package i.e. salary benefits, bonuses, pension, etc. (Rs. Million)	Fixed component and performance linked incentives alongwith the performance criteria (Rs. Million)	Service contracts period, notice severance fees	Stock option with details, if any and whether issued at discount as well as the period over which accrued and over which exercisable
Mr. Prakash Kulkarni Executive Chairman	1.98	Nil	Pl. see note 'b'	Pl. see note 'd'
Mr. Arvind Walia Managing Director	11.47	Nil	Pl. see note 'c'	Pl. see note 'd'
Mr. Manoj Kolhatkar Managing Director	5.48	Nil	Pl. see note 'a'	Pl. see note 'd'

- a) The agreement with the Managing Director is for 5 years. Either party to the agreement is entitled to terminate the agreement by giving not less than six months notice in writing to the other party.
- b) Mr. Prakash Kulkarni resigned w.e.f 20th May, 2011
- c) Mr. Arvind Walia resigned from the post of Managing Director w.e.f. September 1, 2011 and further resigned from the Board w.e.f 2nd November, 2011.
- d) The Company does not have stock option scheme for grant of stock options either to the Executive Directors or employees.

6. Investors' / Shareholders' Grievance Committee

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

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

Member	Position	No. of meetings attended
Mr. Russi Jal Taraporevala	Chairman	4
Mr. Rajeev Vasudeva	Member	3
Mr. Mahendra Goyal	Member	5

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

Number received during the year	155
Number resolved to the satisfaction of complainant	155
Number pending redressal	Nil
Number Pending Transfers	Nil

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

Name, designation and address of :
the Compliance Officer

Mr. Anshul Bhargava
Company Secretary
Gabriel India Limited
29th Milestone, Pune – Nashik Highway,
Village Kuruli, Taluka Khed, Pune - 410501

7. Share Transfer Committee

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

Member	Position
Mr. Deepak Chopra	Chairman
Mr. Manoj Kolhatkar	Member
Mr. Mahendra Goyal	Member

8. General Body Meetings

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

a. Particulars of last three years Annual General Meetings

Financial year	Date	Time	Location
2010-11	July 28, 2011	2.30 p.m.	29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
2009-10	July 28, 2010	2.30 p.m.	-do-
2008-09	July 28, 2009	2.30 p.m.	-do-

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

The company has passed the following special resolutions during the year 2008 - 09, 2009 - 10, and 2010-11

- (1) Approval for payment of Remuneration of Rs. 6.56 Million in the form of salaries, allowances, perquisites, bonus as fixed by the Board for the financial year 2008-09 to Mr. Prakash Kulkarni as the Executive Chairman of the Company.

- (2) Approval for payment of Remuneration of Rs. 10.38 Million in the form of salaries, allowances, perquisites, bonus as fixed by the Board for the financial year 2008-09 to Mr. Arvind Walia as the Managing Director of the Company.
- (3) Approval for payment of Remuneration of Rs. 6.74 Million in the form of salaries, allowances, perquisites, bonus as fixed by the Board for the financial year 2008-09 to Mr. K.N. Subramaniam as the Managing Director of the Company upto May 21, 2008.
- (4) Approval for payment of Commission to Non-Executive Independent Directors at a rate of One percent of the Net Profits of the Company in each year for the period of 5 years commencing from the financial year ended 31st March, 2010.
- (5) Approval accorded to the Board of Directors of the Company under Section 293(1)(d) and other applicable provisions of the Companies Act, 1956 for borrowings, secured or unsecured, upto a limit of Rs. 5000 Million.

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

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

ANNEXURE – ‘A’

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

Name of Director	Russi Jal Taraporevala
Date of Birth	08.09.1932
Date of Appointment	20.04.1962
Expertise in Functional Area	Economics, Finance & Management
Qualifications	MBA (Berkley, California), M.Sc. (Economics) (London) B.Com. Bombay
No. of Shares held	259260 equity shares
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. Standard Industries Limited 2. Stanrose Mafatlal Investments & Finance Limited 3. D.B Taraporevala Sons & Co. Private Limited 4. Taraporevala Publishing Industries Private Limited
Memberships/Chairmanships of Committees of Directors of the Company	<ol style="list-style-type: none"> 1. Investor Grievance Committee 2. Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Standard Industries Limited :- Audit Committee, Remuneration Committee & Investor Grievance Committee 2. Stanrose Mafatlal Investment & Finance Limited :- Audit Committee & Investor Grievance Committee.

ANNEXURE – ‘B’

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

Name of Director	Deepak Chopra
Date of Birth	25.12.1954
Date of Appointment	21.5.2008
Expertise in Functional Area	Operations, Management & Finance
Qualifications	C.A & CS, Advanced Management Program (Oxford)
No. of shares held	82500 equity shares
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. AFM India Limited 2. Behr India Limited 3. Dytek India Limited 4. Henkel Teroson India Limited 5. Spicer India Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee & Remuneration Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Spicer India Limited - Audit Committee 2. Henkel Teroson India Limited- Audit Committee

ANNEXURE – ‘C’

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

Name of Director	Mahendra Goyal
Date of Birth	1.11.1969
Date of Appointment	27.05.2011
Expertise in Functional Area	Finance
Qualifications	C.A, C.S, ICWA
No. of shares held	4100 equity shares
List of other Companies in which Directorships held:	<ol style="list-style-type: none"> 1. Anand Automotive Limited 2. Federal-Mogul Bearings India Limited 3. Chang Yun India Limited 4. Haldex India Limited 5. Perfect Circle India Limited 6. Spicer India Limited 7. Victor Gaskets India Limited
Memberships/Chairmanships of Committees of Directors of the Company	Audit Committee and Investor Grievance Committee
Memberships/Chairmanships of Committees of Directors of other Companies	<ol style="list-style-type: none"> 1. Federal-Mogul Bearings India Limited- Audit Committee, Remuneration Committee 2. Haldex India Limited - Audit Committee 3. Perfect Circle India Limited - Audit Committee 4. Spicer India Limited - Audit Committee 5. Victor Gaskets India Limited - Audit Committee 6. Chang Yun India Limited - Audit Committee

10. Disclosures

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

11. CEO/ CFO Certification

Certificate from CEO & CFO for the financial year ended March 31st, 2012, has been provided elsewhere in the Annual Report.

12. Means of Communication

Half yearly report sent to each household of shareholders

No, as the results of the Company are published in the Newspapers having wide circulation

Quarterly results

Same as above

Any website, where displayed

Yes, on www.gabrielindia.com

Whether it also displays official news released; and the presentations made to Institutional Investors or to the Analysts

No

Newspapers in which results are normally published

1) Lok Satta - Pune edition
2) The Economic Times-Delhi & Mumbai edition

Whether Management discussions and Analysis is a part of Annual Report or not

Yes, enclosed

13. General Shareholder Information

- AGM : Date, Time and Venue
August 21, 2012 at 2.30 p.m. at Auditorium, Gabriel India Ltd., 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
- Financial Year
April 1, 2011 to March 31, 2012
- Date of Book Closure
August 14, 2012 to August 21, 2012 (both days inclusive)
- Dividend Payment date(s)
June 27, 2012
- Listing on Stock Exchange
The Bombay Stock Exchange and National Stock Exchange of India Limited
- Stock Code
505714 on Bombay Stock Exchange
GABRIEL on National Stock Exchange
INE524A01029
- The ISIN of Gabriel India Limited on both NSDL and CDSL
Please see Annexure 'A'
- Market Price Date : High, Low during each month in last financial year
Kary Computershare Private Limited
Unit-Gabriel India Limited
Kary House, Plot No. 17-24, Vittalraonagar, Madhapur, Hyderabad 500 081
Phone No. 040 – 23420818-828
E-mail : einward@kary.com
- Registrar and Transfer Agents
All the transfers received are processed and approved by the Share Transfer Committee which normally meets twice in a month
Please see Annexure 'B'
- Share Transfer System
Complied with
- Distribution of shareholding and Share holding pattern as on March 31, 2012
Not issued
- Dematerialisation of shares
The Company's plants are located at Nasik, Pune, Dewas, Hosur, Khandsa, Parwanoo and Sanand.
- Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity
Shareholders correspondence should be addressed to the Registrars & Transfer Agents at the address given above or to the Registered Office of the Company or to the Corporate Office or can be emailed to 'secretarial@gabriel.co.in'
- Plant Locations
The investor's complaints may be registered with the Company by sending an email to secretarial@gabriel.co.in
- Address for correspondence

B. NON-MANDATORY REQUIREMENTS**a) Chairman of the Board**

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

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

b) Shareholder Rights

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

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

c) Postal Ballot

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

d) Remuneration Committee

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

e) Audit Qualification

The Company is in the regime of Unqualified Financial Statements

f) Training of Board Members

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

g) Mechanism for evaluating Non-Executive Board Members

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

h) Whistle Blower Policy

The Company has a Whistle Blower Policy.

Place : Mumbai
Date : May 30, 2012

For and on behalf of the Board
Deepak Chopra
Chairman

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

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

- i. All the Directors have received, read and understood the Code of Conduct for Directors and Senior Management of the Company;
- ii. All the Directors are bound by the said Code to the extent applicable to their functions as a member of the Board of Directors / Senior Management of the Company;
- iii. Since the adoption of the Code of Conduct in the financial year 2005-2006, all the Directors have complied with the provisions of the Code;
- iv. Directors are not aware of nor are a party to any non-compliance with the said Code.

Mumbai
May 17, 2012

Manoj Kolhatkar
Managing Director

Annexure "A"

(i) Stock Price Data

High/Low of market price of the Company's shares traded on the Bombay Stock Exchange, Mumbai during the financial year 2011-12 is furnished below:

Period (Year 2011-2012)	Highest (Rupees)	Lowest (Rupees)	Period (Year 2011-2012)	Highest (Rupees)	Lowest (Rupees)
April	59.20	42.25	October	49.90	39.40
May	54.05	41.70	November	49.20	43.50
June	54.50	45.00	December	47.95	36.75
July	52.40	47.25	January	48.40	38.60
August	51.85	36.75	February	50.30	42.40
September	43.10	38.15	March	47.90	41.50

(i) Stock Price Data

High/Low of market price of the Company's shares traded on the National Stock Exchange, Mumbai during the financial year 2011-12 is furnished below:

Period (Year 2011-2012)	Highest (Rupees)	Lowest (Rupees)	Period (Year 2011-2012)	Highest (Rupees)	Lowest (Rupees)
April	59.50	42.00	October	49.95	38.75
May	54.80	41.65	November	49.00	39.00
June	54.40	45.00	December	47.55	36.15
July	52.45	48.00	January	48.35	38.80
August	51.90	37.15	February	50.25	42.30
September	43.90	38.25	March	48.00	41.20

Annexure "B"

(i) The distribution of shareholding as on March 31, 2012 is as follows:

Distribution of Shareholding as on 31.03.2012

Category	No. of Folios	%	No. of Shares	%
Up to 5000	36390	98.72	10077227	14.03
5001 to 10000	221	0.60	1701151	2.37
10001 to 100000	209	0.56	5772079	8.04
100001 and above	43	0.12	54271513	75.56
Total:	36863	100.00	71821970	100.00

(ii) Shareholding pattern as on March 31, 2012 is as follows:

Gabriel India Limited
Shareholding pattern as on 31.03.2012

Sr No	Description	No. of shares	%
1	Indian Promoters	39237734	54.63
2	Collaborators	-	-
3	Insurance Companies & Banks	302850	0.42
4	Mutual Funds & Uti	8410	0.01
5	FIIS & NRIS	4465701	6.22
6	Domestic Companies	5721287	7.97
7	Resident Individuals	22085988	30.75
Total:		71821970	100.00

CERTIFICATE

To the Members of Gabriel India Limited

We have examined the compliance of conditions of corporate governance by Gabriel India Limited for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2012, no investors' grievances are pending against the company as per the records maintained by the company and presented to the board of the company.

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

For **B.K. Khare & Co.**
Chartered Accountants
(frn : 105102W)

Devdatta Mainkar
Partner

M. No.: 109795

Place : Mumbai
Date : May 30, 2012

Management Discussion and Analysis Report

i) Global Issues Affecting Industry Development

The year 2011-12 was a year of significant global uncertainties ranging from natural calamities to extraordinary appreciation of the foreign currencies against the Indian rupee. This has resulted in a drop in growth rate and acceleration of inflation rates around the world. The Euro zone crisis continues to loom large while the fastest growing economy so far viz; China is showing signs of lower growth - China's growth has slipped to 8.1 percent in the first three months due to the drop in demand from Europe and the US.

In the backdrop of above global scenario & resulting lowered capital investment, the GDP growth rate of India in 2011-12 was about 6.9% which was lower than estimated. The Indian Automobile Industry continued to show resilience in growth, however lower than projected. The industry recorded a year over year growth of 14% during 2011-12. The lower than projected growth was an effect of labour unrest at market leader Maruti-Suzuki, fuel price increase & fuel price disparity, power shortage in Tamil Nadu, high interest rates and inflation which drove poor customer sentiment.

	Vehicle Production during the year 2011- 12 (In'000 Nos)	Year over year growth %
Passenger Vehicles	3123	4%
Commercial Vehicles	900	19%
Two / Three Wheelers	16331	15%
Overall Growth	-	14%

2. Outlook

While the growth trends for the last couple of years have been favourable there are clear indicators of impending slower growth for 2012-13. The projected vehicular growth for 2012-13 is 11% against a recorded growth of 14% in 2011-12.

Of the total turnover, of the Indian Auto Components industry, around 60% is derived from sales to domestic OEMs, around 25% from sales to the domestic replacement market and about 15% is derived from exports. However, lower YOY volume growth of domestic OEMs in 2011-12, particularly those belonging to the passenger vehicle (PV) and Medium & Heavy Commercial Vehicles segments, translated into limited revenue growth for the auto components industry during this period.

Setting the pace:

After 50 years, the Company continues to stand out as a leading manufacturer of Ride Control Products through major investments and judicious technical collaborations.

With a large customer portfolio, strong development base in all segments and wide manufacturing footprint the Company is confident of sustaining growth in the immediate future, and riding-out any turbulence in the short term.

Keeping pace with the industry, company has planned to invest Rs.400 million in capacity augmentation, quality and R&D during 2012-13. The company plans similar investments in the next 3 years for building capacities, quality improvement and R&D.

3. Performance of the Company

With net sales of Rs.11,153 Million the Company recorded a growth of 16%.

(i) Two & Three Wheelers :

The Company's 3 facilities, at Hosur, Nasik & Parwanoo manufacture for this segment. The Company supplies products to most OEM's in the two wheeler segment. However, the Company succeeded in increasing its share for existing models as well as in acquisition of future business with all our customers. This ensured that the Company maintained its growth path and market share. At present the Company's market share, in this segment, is estimated to be 20%. The company also won several accolades from customers such as quality, delivery & overall excellence awards.

(ii) Passenger Vehicles :

The Company's market share, in this segment, is estimated to be 33%, and is serviced by its facilities at Gurgaon, Chakan & Sanand. The Khandsa, Gurgaon facility caters to the requirements of Maruti Suzuki, the largest car manufacturer in India. However, this plant took a hit due to the lowered volumes from Maruti Suzuki in the period June-2011 to Nov-2011 resulting from the labour situation at the customer.

During the year the Company successfully productionized a variety of models for supply to Volkswagen, India. The

same are being supplied from the facilities at Chakan, Pune. Other supplies to strategic markets, like exports to Iran and supplies to Nano continue to grow at a satisfactory pace.

(iii) Commercial Vehicles:

The Company continues to dominate the commercial vehicles segment with a market share exceeding 75%, with supplies from the Dewas plant. With the business in hand and those under development the Company is likely to maintain its lead and dominance in this segment in the foreseeable future.

(iv) Aftermarket & Exports:-

Aftermarket → Company has recorded aftermarket sales worth around Rs.1040 million, which constitutes 9% of its net sales. To retain its strong presence in the aftermarket sales the Company has broadened its product portfolio by developing new parts. Within the aftermarket domain, the Company services nearly all automobile models in India. During the year the Company also introduced a new radiator coolant product under the brand name 'Gab Cool,' which has been well received in the market.

Exports → Starting with a negligible base two years ago, the Company has since recorded exports worth around Rs.553 million, which constitutes 5% of its net sales. New customers from Australia and improving North American markets are key opportunities that the company is pursuing. A continuous thrust on exports, directly and through partner channels, is expected to result in strong development of this market segment.

4. Opportunities and threats

The Indian Automobile Component industry has grown impressively over the last decade. The total industry size has now exceeded \$ 40 billion. The growth is a reflection of India's emergence as a global automotive hub with virtually all global auto makers setting up plants in India, that cater mainly to the domestic market as well as the export market. The Indian auto component industry has kept pace with the latest technological developments and is catering not only to the OEM and Tier I auto makers in India but abroad as well. Today many Indian Auto Component Makers have succeeded in emerging as suppliers of choice to global auto majors. The Indian auto component industry is likely to continue growing at, or around, CAGR 21% that the industry has achieved over the last 7 years. This growth momentum offers an opportunity for the company to increase business volumes. The company's strategy of having its manufacturing facilities near the manufacturing plants of customers and investments in a commensurate build up of its production capacities, has given it the opportunity to increase its business share with OEMs. The Company is confident of staying ahead of the market, based on the business it has acquired and those under development.

The growing business volume also gives the company an opportunity to optimize its cost structure to improve profitability. With a critical mass in place, the company will be investing more in R&D activities to further develop its technical capabilities.

5. Analysis and comments on key Business Risks

(i) Auto Sector Risk

The Company operates in a single sector and the commitment of 'investments' being an irreversible process, there is always a risk of demand projections not materializing. However, in a growth market excess capacities, if any, are eventually fully utilized.

The diversified customer portfolio of the Company, with business shares not exceeding 20% from any one customer, and a good market share in all the segments, such as Passenger Vehicles, Two Wheeler and Commercial Vehicles, enhances its ability to overcome any fluctuations.

The Company's market share is likely to be sustained over the next few years by virtue of the new businesses it has acquired in all segments. The Company's efforts on growing the aftermarket and exports segments will reduce the risk of fluctuations in the domestic OE market.

The Company being an auto component supplier to all major OE customers, there is a potential risk of product recall

due to quality issues. The company has mitigated this risk by adequate insurance coverage.

(ii) Global Competition Risk

International OEM's seeking to introduce global platforms prefer to source products for that platform from a global supplier that has the ability to supply the same product (same specifications and quality) at all planned manufacturing locations. Your Company has associated itself with KYB-Japan, KYBSE-Spain and Yamaha Motor Hydraulics Ltd.-Japan. This gives the Company good coverage in the international OEM's in Japan and Europe and helps to mitigate the risk.

In the case of direct product imports, particularly from China, the Company has built up its capacity to compete on costs while providing value added services to customers in order to continue being a preferred supplier.

(iii) Technology Risk

All OEMs are sensitive to the technology changes in our product line. Ride control being a primary selling feature in vehicles, OEM's insist on contemporary technologies in ride control products to benchmark ride comforts.

Anticipating this requirement, the company is working on strengthening its relationship with its technology partner viz., KYB and Yamaha Motor Hydraulic System Co. Ltd.

In addition, special efforts have been initiated to increase the company's own technology level to global standards. The company plans to spend about Rs. 250 million in the next 3 years on ramping up its product technology base.

Building on its own experience and the know-how acquired from technical collaborations, your Company has developed a good technical base with well equipped R&D centres at Pune, Hosur and Ambad. These centers have modern facilities for testing, analyzing, designing and application engineering. Along with the equipment and facilities, your Company has a highly trained team of R&D engineers capable of providing engineering solutions for ride control products, including design of new models.

(iv) Procurement and Supply Chain Risks

During the year the prices of commodity and base metals continued to witness volatility, though they began going up steeply by the fourth quarter of the year. This poses the serious risk of profit erosion in case of inadequate compensation from the customers.

However, the company has addressed this risk by way of an understanding with most customers to adjust the prices of our products in tandem with the cost movement of raw materials. Sourcing from China continues, which enables the company to support short term local suppliers capacity constraints and maintain cost-base of its raw materials. For the year 2011-12, the Company was able to negotiate a price increase with most customers thus neutralizing the impact of the increase in the cost of materials.

To benefit from the economies of scale the Company has opted to centralize sourcing requirements with improved vendor management. The movement of the material prices in the domestic as well as international markets is closely monitored, to ensure procurement at competitive prices. The Company continues to focus on the VSME program with the objective of developing Tier II & Tier III vendors and upgrading their facilities to cope with the demands of growth. The Company is also strategically looking to localize imports to avoid any national level risk and to gain cost advantages. In order to streamline and simplify the vendor-base, a project of vendor consolidation has been undertaken which is expected to improve your Company's procurement efficiency.

(v) Financial Risks

Foreign Exchange Risk

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

(vi) Talent and Attrition Risks

The Management closely reviews the attrition and talent availability risks - in terms of head count, skills and competence. Due to the boom in the auto sector the attrition risk is high. The Company being sensitive to this issue has proactively engaged itself in hiring and developing talent with a special focus on HR activities to ensure retention of its people. The availability of a knowledge work force is also a key concern, which has been addressed by wide spread engagement with technical schools to directly recruit talent and offer them well-defined and rewarding growth paths.

6. Human Resources / Industrial Relationship

The Company has a structured process to identify young and key talents and nurture them to take on senior and responsible positions by mentoring, coaching and advanced leadership programs. In striving to reach our stated objective of having 30% women in the workforce, the Company presently has a women strength of 15%.

There is a constant focus on enhancing productivity in all facets of our operations. Training and development of employees continues to be an area of prime focus with key personnel being sent for advanced training to facilities and institutions within the country and abroad. The Industrial relations climate of the Company remained cordial during the year and continues to be aimed towards improving productivity, quality, morale and safety.

7. Internal Control Systems and their Adequacy.

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

8. Cautionary Statement

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

Place : Mumbai
Date : May 30, 2012

Manoj Kolhatkar
Managing Director

Auditors' Report

TO THE MEMBERS OF GABRIEL INDIA LIMITED

1. We have audited the attached Balance Sheet of GABRIEL INDIA LIMITED as at 31st March, 2012 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed with reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, 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 enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of these books.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the said Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with, the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **B.K. KHARE & Co.**
Chartered Accountants
FRN : 105012W

Devdatta Mainkar
Partner
Membership Number 109795

Place: Mumbai
Date: 30th May, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:**i) FIXED ASSETS:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the company.

ii) INVENTORY: -

- (a) Inventory has been physically verified during the year by the management at reasonable intervals. In respect of stocks of raw materials lying with Job workers, the management has obtained confirmation certificates with regard to the respective closing stock.
- (b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) No material differences were observed on physical verification of inventories at the plants *except in Chakan where the differences observed have been adjusted in the books.*

iii) LOANS AND ADVANCES GRANTED / TAKEN FROM CERTAIN ENTITIES:

According to the information and explanations given to us, the Company has not taken or granted secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

iv) INTERNAL CONTROL SYSTEM:

In our opinion, the internal control system is commensurate with the size of the Company and the nature of its business with regard to purchase of fixed asset and for the sale of goods and services and in the process of being strengthened with respect to purchase of inventory to address the control weaknesses.

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

- (a) Based on audit procedures applied by us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) PUBLIC DEPOSITS:

In our opinion, Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975, with regard to the deposits accepted from the public. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal intimating the contravention of the said provisions.

vii) INTERNAL AUDIT SYSTEM:

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

viii) COST RECORDS:

We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have

been made and maintained. We however have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) STATUTORY DUES:

- (a) Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) There are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute except following:

Name of the Statute	Nature of Dues	Amount Rs. in Million	Period to which it pertains	Forum
Income Tax Act, 1961	Disallowance of Interest apportioned to interest free loan given to Subsidiary company	41.44	Assessment Year 1997 to 2003	Dept. filed appeal with High Court, Mumbai
Income Tax Act, 1961	Disallowance made in Income Tax Assessment	44.63	Assessment Year 2009-10	Appeal filed with Commissioner of Income Tax (A)
Central Excise Act, 1944	Service Tax	0.46	2005-06	Appeal filed with Commissioner of Income Tax (A)
Central Excise Act, 1944	Service Tax	2.60	1999 to 2003	CESTAT, Mumbai
Bombay Sales Tax Act, 1959	Tax Liability on purchase return	0.25	1996-97	Maharashtra Sales Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Service Tax	0.15	2008-09 and 2009-10	CESTAT, Mumbai
Central Excise Act, 1944	Service Tax	1.42	2007 TO 2011	Central Excise Department
Assam Value Added Tax Act, 2003	Value Added Tax	0.04	2004-05 and 2005-06	The Superintendent of Taxes, Assam Unit B, Kar Bhawan Guwahati
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	0.43	2004-05	The Superintendent of Taxes, Assam Unit B, Kar Bhawan Guwahati
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	0.06	2003-04	Commercial Tax Officer, Namapally, Hyderabad
Kerala VAT Act, 2003	Value Added Tax	0.54	2005-06 and 2006-07	Assistant Commissioner, Special Circle 1, Ernakulam
Central Excise Act, 1944	Service Tax	5.01	2005 to 2009	CESTAT, New Delhi
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	0.65	2006-07	MP Commercial Tax Board, Bhopal
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	0.81	2008-09	Additional Commissioner Sales Tax, Indore
Haryana Value Added Tax Act, 2003	Value Added Tax	0.16	2006-07	DETC, Gurgaon
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	1.52	2005 - 07	DETC, Gurgaon
Central Excise Act, 1944	CENVAT	6.26	2006 TO 2010	Commissioner of Central Excise, Delhi
Income Tax Act, 1961	Tax Deducted at Source	1.76	2008-09 and 2009-10	ITO(TDS), Delhi
ESIC Act, 1948	ESIC	0.27	1993 TO 2000	CJM, Gurgaon
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	2.53	2004-05	Deputy Commissioner - Appeal (I) Lucknow
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	42.53	2005-06 & 2006-07	Deputy Commissioner - Appeal (I) Lucknow
Central Sales Tax Act, 1956	Non submission of Sales Tax Form	3.75	2007-08	Deputy Commissioner - Appeal (I) Lucknow

x) ACCUMULATED LOSSES:-

The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi) DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS:

Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial Institutions or banks.

xii) SECURITY FOR LOANS & ADVANCES GRANTED:

Based on the records examined by us and according to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) SPECIAL STATUTE:

The company is not a chit fund/nidhi/mutual benefit fund/society and therefore, the provisions of any special statute applicable to these institutions are not applicable to the Company.

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

Based on the records examined by us and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.

xv) GUARANTEES GIVEN:

Based on the records examined by us and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi) TERM LOANS:

According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were taken.

xvii) UTILISATION OF FUNDS:

On an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) PREFERENTIAL ALLOTMENT OF SHARES:

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) SECURITY FOR DEBENTURES ISSUED:

Company has not issued any debentures during the year and therefore the provisions of this clause are not applicable.

xx) PUBLIC ISSUE OF EQUITY SHARES:

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

xxi) FRAUDS NOTICED:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For B.K.KHARE & CO.
Chartered Accountants
(FRN : 105012W)

Place: Mumbai
Date: 30th May, 2012

Devdatta Mainkar
Partner
Membership No. 109795

Balance Sheet

as at 31 March, 2012

	Note No.	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	71.85	71.85
(b) Reserves and surplus	3	2,240.60	1,793.53
		2,312.45	1,865.38
2 Non-current liabilities			
(a) Long-term borrowings	4	246.87	561.75
(b) Deferred tax liabilities (net)		133.41	156.81
(c) Long-term provisions	5	30.20	52.74
		410.48	771.30
3 Current liabilities			
(a) Short-term borrowings	6	662.34	678.14
(b) Trade payables	7	1,411.01	1,467.70
(c) Other current liabilities	8	467.89	401.36
(d) Short-term provisions	9	116.39	115.02
		2,657.63	2,662.22
		5,380.56	5,298.90
TOTAL			
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,058.59	2,024.11
(ii) Intangible assets		79.61	76.29
(iii) Capital work-in-progress		37.26	108.15
		2,175.46	2,208.55
(b) Non-current investments	11	0.23	133.32
(c) Long-term loans and advances	12	377.62	414.12
		2,553.31	2,755.99
2 Current assets			
(a) Inventories	13	1,235.31	1,017.71
(b) Trade receivables	14	1,243.65	943.64
(c) Cash and cash equivalents	15	55.59	39.26
(d) Short-term loans and advances	16	267.87	381.70
(e) Other current assets	17	24.83	160.60
		2,827.25	2,542.91
		5,380.56	5,298.90
TOTAL			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 25-44		

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

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W
DEVDATTA MAINKAR
Partner
Membership No. 109795

For and on behalf of the Board of Directors

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

KAWAL JAGGI
Sr. V.P. Finance

ANSHUL BHARGAVA
Company Secretary

Place : Mumbai
Date : May 30, 2012

Statement of Profit & Loss

for the year ended 31 March, 2012

	Note No.	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
1			
Gross Sales		12,152.46	10,482.45
Less: Excise duty		999.65	865.49
Net Sales		11,152.81	9,616.96
Other Operating Income	18	129.46	82.78
Revenue from operations (net)		11,282.27	9,699.74
2			
Other income	19	74.34	93.23
3 Total revenue (1+2)		11,356.61	9,792.97
4 Expenses			
(a) Cost of materials consumed	20.a	8,069.34	6,949.19
(b) Purchases of stock-in-trade	20.b	28.29	18.79
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	(24.02)	(61.10)
(d) Employee benefits expense	21	794.07	700.53
(e) Finance costs	22	170.09	171.26
(f) Depreciation and amortisation expense		276.40	219.02
(g) Other expenses	23	1,495.20	1,204.49
Total expenses		10,809.37	9,202.18
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		547.24	590.79
6			
Exceptional items	24	77.20	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		624.44	590.79
8			
Extraordinary items - Prior period items (net of tax expense)		-	(17.20)
9 Profit / (Loss) before tax (7 + 8)		624.44	573.59
10 Tax expense:			
(a) Current tax expense for current year		133.50	142.20
(b) (Less): MAT credit (where applicable)		-	-
(c) Net current tax expense		133.50	142.20
(d) Deferred tax (credit)		(15.90)	15.81
Tax expense for Prior period:			
(e) Current tax expense (credit) relating to prior years		(16.30)	(37.84)
(f) Deferred tax expense (credit) relating to prior period		(7.50)	-
		93.80	120.17
11 Profit / (Loss) for the year (9 +10)		530.64	453.42
12 Earnings per share (of Re 1/- each):			
Basic / Diluted Eps. (Rs.)		7.39	6.31
Paid up value per share (Re.)		1	1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1
25-44

Notes forming an intergal parts of these accounts
In terms of our report attached.

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W
DEVDATTA MAINKAR
Partner
Membership No. 109795

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : May 30, 2012

Cash Flow Statement

For the Year ended 31 March, 2012

	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
A. Cash flow from operating activities:				
Net Profit before extraordinary items and tax		624.44		590.79
Adjustments for:				
Depreciation and amortisation	276.40		219.02	
Provision for impairment of fixed assets and intangibles	(9.59)		1.54	
(Profit) from sale of an assets	(66.06)		0.58	
(Profit) from sale of an Investment	(5.00)		-	
Finance costs	170.09		163.33	
Interest income	(23.73)		(35.58)	
Dividend income	(0.04)		(0.03)	
Provision for doubtful trade and other receivables, loans and advances	9.22		1.14	
Prior period items	-		(17.20)	
Government grant	-		3.00	
Provision for compensated absences	2.00		7.40	
Provision for gratuity	(35.45)		9.61	
Provision for superannuation	3.89		3.99	
Provision for warranty	(3.05)		7.00	
Provision for slow & non-moving inventories	14.57	333.25	-	363.79
Operating profit / (loss) before working capital changes		957.69		954.58
Changes in working capital:				
Adjustments for (increase) / decrease in Working Capital:				
Inventories	(232.17)		(218.13)	
Trade Receivables	(306.95)		(353.02)	
Loans and advances	114.40		(54.43)	
Trade payables & Other Liabilities	23.68	(401.04)	473.08	(152.49)
Cash generated from operations		556.65		802.09
Net income tax (paid) / refunds		(109.31)		(53.73)
Net cash flow from / (used in) operating activities (A)		447.34		748.36
B. Cash flow from investing activities				
Purchase of fixed assets	(350.39)		(483.97)	
Decrease in Capital Work in Progress	70.89		(75.43)	
Proceeds from Sale of fixed assets	101.68		6.30	
Proceeds from Sale of investment	138.09		-	
Decrease/ (increase) in intercorporate deposit given	184.24		(104.23)	
Interest received	23.73		35.58	
Dividend received	0.04	168.28	0.03	(621.71)

	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
C. Cash flow from financing activities				
Proceeds / (Repayment) of long term borrowings	(159.67)		25.19	
Proceeds from Fixed Deposit	(155.21)		(38.80)	
Increase in Working Capital facilities (net)	-		18.45	
(Decrease) of short term borrowings (net)	(15.80)		-	
Interest Paid	(176.28)		(154.15)	
Dividend Paid	(79.04)		(61.88)	
Corporate dividend tax paid	(13.29)	(599.29)	(10.29)	(221.48)
Net Increase in Cash & Cash Equivalents		16.33		(94.83)
Cash and cash equivalents as at Opening		39.26		134.09
Cash and cash equivalents as at Closing		55.59		39.26
Cash and cash equivalents consists of:				
Cash-in-Hand		0.47		0.67
With Scheduled Banks				
In Current Accounts		24.55		23.68
In Unpaid Dividend Accounts		5.70		5.65
In Fixed Deposit Accounts		24.87		9.26
		55.59		39.26

Notes :

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

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

For B.K. Khare & Company
Chartered Accountants
Firm Registration Number : 105102W
DEVDATTA MAINKAR
Partner
Membership No. 109795

DEEPAK CHOPRA
Chairman

MANOJ KOLHATKAR
Managing Director

KAWAL JAGGI
Sr. V.P. Finance

ANSHUL BHARGAVA
Company Secretary

Place : Mumbai
Date : May 30, 2012

Notes Forming Part of the Financial Statements

Note '1': Significant Accounting Policies

During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statements. Assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of activity carried out by the company and the period between the procurement of materials and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non – current classification of assets & liabilities. The Company has also reclassified / regrouped the previous year figures in accordance with the requirements applicable in the current year.

a) Basis of Accounting

The Financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets and Depreciation

- a) Fixed Assets are stated at their original cost (net of MODVAT where applicable) including freight, duties, customs and other incidental expenses relating to acquisition and installation. Interest and other finance charges paid on loans for the acquisition of fixed assets are apportioned to the cost of fixed assets till they are ready for use.
- b) 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.
- c) Foreign exchange fluctuation on payment / restatement of long term liabilities related to fixed assets are charged to profit and loss Account.
- d) Depreciation has been provided on straight-line method at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956, except for the following:
 - i. Computer hardware and software are being depreciated over a period of three years.
 - ii. The leasehold land is amortised over the lease period.
 - iii. Buildings on leasehold land are amortised over the lease period or useful life of the building whichever is shorter.
 - iv. Technical know-how fee is amortised over a period of 6 years or period of agreement, whichever is shorter.
 - v. Tools and dies are depreciated over a period, upto eight years, determined based on technical evaluation.
 - vi. VSAT communication equipment is depreciated over a period of 5 years.

c) Investments

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

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

d) Inventories

Inventories are stated at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective location and condition. Cost of raw materials, stores and spares and packing materials are determined on weighted average basis.

e) Capital Grants

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

Notes Forming Part of the Financial Statements

f) Revenue and Expense Recognition

Revenue from sale of goods is accounted for on dispatch of goods which represents transfer of significant risks and rewards to the customers. Sales are inclusive of excise duty and net of sales return and trade discounts.

Expenses are accounted for on an accrual basis.

g) Taxation

Tax expense (credit) is the aggregate of current tax and deferred tax.

a) Current Tax

Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

b) Deferred Tax

Deferred tax for timing differences between the book profits and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred tax assets for tax losses and unabsorbed depreciation are recognized to the extent that the realisation of the related tax benefit through the future taxable profits is virtually certain. Deferred tax assets arising from other timing differences are recognised to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

h) Foreign Currency Transactions

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

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

Pursuant to The Institute of Chartered Accountants of India's announcement 'Accounting for Derivatives', the Company marks-to-market all other derivative contracts (forward contracts in respect of firm commitments and highly probable forecast transactions, swaps and currency options) outstanding at the end of the year and the resultant mark-to-market losses, if any, are recognised in the Profit and Loss Account. Any profit or loss arising on settlement or cancellation of such derivative contracts is recognised as income or expense for the year.

i) Research and Development

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

j) Retirement Benefits

The Company has Defined Contribution plans for post employment benefits' namely Provident Fund and Superannuation Fund. Contributions payable to Provident Fund and the Superannuation Fund maintained by the LIC are charged to the Profit and Loss Account.

The Company has Defined Benefit plans, namely compensated absences and gratuity for employees, the liability for which is determined on the basis of actuarial valuation at the end of the year. The Gratuity Fund is recognised by the income tax authorities and is administered through trusts.

Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Account.

k) Borrowing Cost

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

l) 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 Profit and Loss Account on straight line basis.

Notes Forming Part of the Financial Statements

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.

m) Warranty Provision

The estimated liability for product warranties is recorded at the time of the sale of the products. The provision is based on management's estimate of the future cost of corrective action on product failure established using historical information regarding frequency and average cost of servicing the warranty claims.

n) Provisions and Contingencies

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

o) Impairment

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

Notes Forming Part of the Financial Statements

Note 2: Share Capital

	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Rs. In Million	Number of Shares	Rs. In Million
(a) Authorised				
Equity shares of Re. 1/- each	140,000,000	140.00	140,000,000	140.00
Redeemable preference shares of Re. 100/- each	100,000	10.00	100,000	10.00
(b) Issued				
Equity shares of Re. 1/- each	71,821,970	71.82	71,821,970	71.82
(c) Subscribed and fully paid up				
Equity shares of Re. 1/- each	71,821,970	71.82	71,821,970	71.82
Add: Share forfeiture		0.03		0.03
Total	71,821,970	71.85	71,821,970	71.85

(a) Rights, preferences and restrictions attached to equity shares

- (i) 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 Rupee. In the 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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (ii) 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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (ii) During the year ended 31 March, 2012, the amount of per share dividend recognized as distributions to equity shareholders was Re.1 (31 March, 2011: Re.1).

(b) Reconciliation of opening and closing share capital:

	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares held	amount originally paid up Rs. in Million	Number of Shares held	amount originally paid up Rs. in Million
Equity shares with voting rights				
Balance at the beginning of the year	71,821,970	71.82	71,821,970	71.82
Addition / (Deletion)	-	-	-	-
Balance at the end of the year	71,821,970	71.82	71,821,970	71.82

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

Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt. Ltd. (Holding company)	35,952,734	50.06	35,952,734	50.06
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(d) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

Equity shares of Re. 1 Each fully paid up held by Asia Investments Pvt. Ltd. (Holding company)	35,952,734	50.06	35,952,734	50.06
Equity shares of Re. 1 Each fully paid up held by Kayaba Industry Co. Ltd.	3,968,680	5.53		
Equity shares of Re. 1 Each fully paid up held by Gabriel International Inc.			3,968,680	5.53

Notes Forming Part of the Financial Statements

Note 3: Reserves and Surplus

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Capital Reserve		
Opening balance	4.70	1.70
Add: Additions during the year	-	3.00
Less: Utilised / transferred during the year	-	-
Closing balance (a)	<u>4.70</u>	<u>4.70</u>
(b) Securities Premium Account		
Opening balance	343.59	343.59
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance (b)	<u>343.59</u>	<u>343.59</u>
(c) General Reserve		
Opening balance	228.87	183.53
Add: Transferred from surplus in Statement of Profit and Loss	53.06	45.34
Closing balance (c)	<u>281.93</u>	<u>228.87</u>
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,216.37	892.05
Add: Profit for the year	530.64	453.42
Less: Appropriation		
Interim dividend	28.73	21.55
2nd Interim dividend	43.08	50.28
Dividend tax	11.76	11.93
Transferred to General reserve	53.06	45.34
Closing balance (d)	<u>1,610.38</u>	<u>1,216.37</u>
Total (a+b+c+d)	<u>2,240.60</u>	<u>1,793.53</u>

Notes Forming Part of the Financial Statements

Note 4: Long-term borrowings

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Term loans		
From banks (Secured)		
- Buyer's Credit for capital goods from IndusInd Bank Secured by exclusive charge on the Dyna Chrome plating machine and all related equipment at chakan plant. Balance repayable in 1 installments (Previous year: 2 installment) of Rs. 54.67 Million payable on 15.10.13. Rate of interest EURIBOR plus agreed spread (Previous year: EURIBOR plus agreed spread)	54.67	61.47
- Bank of India Limited Secured by exclusive charge on assets created out of the bank's finance both at khandsa plant and chakan plant and collaterally secured by first and exclusive charge on the land & building at hosur plant. Balance repayable in 4 quarterly installments (Previous year: 8 quarterly installment) of Rs.16.67 Million each upto Jan 31, 2014. Rate of interest based at agreed spread (Previous year: based at agreed spread)	66.67	133.22
- ING Vvya Bank Secured by exclusive charge by way of equitable mortgage on factory and land & building situated at Nashik plant. Balance repayable in nil installment (Previous year: 2 quarterly installment) of Rs.7.5 Million each. Rate of interest based at agreed spread (Previous year: based at agreed spread)	-	15.00
- Kotak Mahindra Bank Secured by exclusive charge on land & building situated at Chakan plant. Balance repayable in 1 quarterly installments (Previous year: 5 quarterly installments) of Rs.16.67 Million each upto Apr 30, 2013. Rate of interest based at agreed spread (Previous year: based at agreed spread)	16.67	83.33
(b) Other loans and advances		
Vehicle loan (Secured) Secured by hypothecation of Car. Repayable within 5 years from the date of sanction. Carry rate of interest between 9% to 13%.	4.51	2.73
(c) Deferred Sales Tax		
Unsecured Deferred sales tax loan is interest free and repayable in 2013-14 & 2014-15.	3.47	9.91
(d) Fixed Deposits		
Unsecured Deposits from public carry interest between 9% to 10% p.a. and are repayable after 3 years from the date of deposit, viz., 1 September 2010.	100.88	256.09
Total	246.87	561.75

Note 5: Long-term provisions

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Provision for compensated absences	21.23	22.58
(b) Provision for gratuity (net) (Refer Note 41)	-	30.16
(c) Provision for super annuation fund	8.97	-
Total	30.20	52.74

Notes Forming Part of the Financial Statements

Note 6: Short-term borrowings

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
Loans repayable on demand From banks (Secured) Working capital facilities are secured by hypothecation of Stocks, book debts and other current assets of the company. Carrying rate of Interest between 12.25% to 13.25%.	662.34	678.14
Total	662.34	678.14

Note 7: Trade payables

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
Trade payables: Micro and small enterprises Others	47.86 1,363.15	108.33 1,359.37
Total	1,411.01	1,467.70

The above information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the company.

Note 8: Other current liabilities

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Current maturities of long-term debt (Refer Note (i) below)	321.02	271.80
(b) Interest accrued but not due on borrowings	19.19	25.53
(c) Interest accrued and due on borrowings	1.52	1.37
(d) Unpaid dividends	5.61	5.58
(e) Statutory liabilities	55.18	47.66
(f) Capital creditors	20.43	10.47
(g) Advances from customers	15.24	14.04
(h) Others	29.70	24.91
Total	467.89	401.36
(a) Term loans From banks (Secured)		
- Buyer's credit for capital goods from IndusInd Bank	7.96	-
- Bank of India Limited	67.99	66.75
- ING Vsyra Bank	15.00	30.00
- Kotak Mahindra Bank	66.67	66.67
(b) Other loans and advances Vehicle loan (Secured)	2.39	1.64
(c) Deferred payment liabilities (Unsecured)	6.44	45.87
(d) Fixed deposits (Unsecured)	154.57	60.87
Total	321.02	271.80

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

Notes Forming Part of the Financial Statements

Note 9: Short-term provisions

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Provision for employee benefits:		
(i) Compensated absences	5.10	1.75
(ii) Gratuity (net) (Refer Note 41)	-	5.29
(iii) Super annuation fund	2.27	7.35
	7.37	14.39
(b) Provision :		
(i) Warranty	33.95	37.00
(ii) Provision for proposed equity dividend	43.08	50.28
(iii) Provision for tax on proposed dividends	6.99	8.35
(iv) Provision - others	25.00	5.00
	109.02	100.63
Total	116.39	115.02

Note 10: Fixed Assets

	GROSS BLOCK				DEPRECIATION / IMPAIRMENT				NET BLOCK	
	Cost as at 01.04.11	Additions during the year*	Disposal /Adjustment during the year	Cost as at 31.03.12	Accumulated depreciation/ Impairment as at 01.04.11	Depre- ciation/ Impairment for the year	Disposal /Adjustment during the year	Accumulated depreciation/ Impairment loss as at 31.03.12	As at 31.03.12	As at 31.03.11
	(Rs. Million)									
Tangible Assets										
Freehold Land	25.82	-	-	25.82	-	-	-	-	25.82	25.82
Leasehold Land #	24.05	2.26	12.61	13.70	3.20	0.11	1.02	2.29	11.41	20.85
Buildings #	703.50	26.73	19.16	711.07	191.73	22.17	5.46	208.44	502.63	511.77
Plant & Machinery	2,801.12	259.98	183.98	2,877.12	1,386.74	215.69	177.07	1,425.36	1,451.76	1,414.38
Vehicles @	32.78	13.41	11.71	34.48	16.35	5.20	9.29	12.26	22.22	16.43
Furniture & Fixtures	69.06	16.29	8.78	76.57	34.20	4.79	7.18	31.81	44.76	34.86
Intangible Assets										
Computer Software	47.90	30.19	5.63	72.46	21.61	12.56	5.63	28.54	43.92	26.29
Technical Knowhow	120.24	1.57	4.23	117.58	70.24	15.88	4.23	81.89	35.69	50.00
	3,824.47	350.43	246.10	3,928.80	1,724.07	276.40	209.88	1,790.59	2,138.21	2,100.40
Capital Work-in-Progress									37.26	108.15
Total	3,824.47	350.43	246.10	3,928.80	1,724.07	276.40	209.88	1,790.59	2,175.47	2,208.55
Total as at 31.03.11	3,357.72	483.97	17.22	3,824.47	1,513.85	220.56	10.34	1,724.07		

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

Includes Leasehold land and buildings having a gross value of Rs. Nil Million (Previous Year Rs. 12.61 Million) and Rs. Nil Million (Previous year Rs. 19.16 Million) respectively, which were held by the Company for sale in the previous year.

@ Vehicles include Assets purchased on finance lease amounting to Rs. 18.92 Million (Previous Year Rs. 3.32 Million) with a written down value of Rs. 9.33 Million (Previous Year Rs. 2.82 Million) as at year end .

\$ Depreciation for the year includes Rs. Nil Million (Previous Year Rs. 1.54 Million) of provision for assets not in use included under Schedule 16 - Manufacturing, administration, selling and distribution and other expenses.

Notes Forming Part of the Financial Statements

Note 11: Non-current investments

	As at 31 March, 2012			As at 31 March, 2011		
	Quoted Rs. In Million	Unquoted Rs. In Million	Total Rs. In Million	Quoted Rs. In Million	Unquoted Rs. In Million	Total Rs. In Million
(a) Investment in equity instruments						
- Unquoted at cost						
(i) 1,453,666 shares of face value of Rs.10 each fully paid up of Federal - Mogul Bearings India Ltd. (formerly Anand Engine Components Limited.)	-	-	-	-	133.09	133.09
(ii) 20,000 shares of Rs.10 per share (Previous Year 20,000 shares of Rs.10 per share) face value Rs 10 each fully paid up of Shivalik Solid Waste Management Ltd.	-	0.20	0.20	-	0.20	0.20
- Quoted at cost						
(iii) 4000 (Previous Year 4000) Equity Shares of Rs. 2 (Previous Year Rs. 2) each fully paid up of Housing Development Finance Corporation Limited	0.02	-	0.02	0.02	-	0.02
(b) Investment in government or trust securities						
(i) National Savings Certificate	0.01	-	0.01	0.01	-	0.01
Total			0.23			133.32

Note 12: Long-term loans and advances

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Capital advances		
Unsecured-considered good	113.82	99.15
Unsecured-considered Doubtful	2.28	-
	116.10	99.15
Less :- Provision for doubtful advances	2.28	-
	113.82	99.15
(b) Security deposits		
Unsecured-considered good	177.57	246.49
(c) Loans and advances to employees		
Unsecured-considered good	9.14	6.82
(d) Advance Income tax (net of provision for taxation)	77.09	61.66
Total	377.62	414.12

Notes Forming Part of the Financial Statements

Note 13: Inventories

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Raw materials	733.94	591.85
Goods-in-transit	79.85	53.01
	<u>813.79</u>	<u>644.86</u>
(b) Work-in-progress	223.69	176.80
	<u>223.69</u>	<u>176.80</u>
(c) Finished goods	96.24	96.48
Goods-in-transit	9.86	35.49
	<u>106.10</u>	<u>131.97</u>
(d) Stock-in-trade	6.48	3.48
	<u>6.48</u>	<u>3.48</u>
(e) Stores and spares	99.82	60.60
	<u>99.82</u>	<u>60.60</u>
Total	<u>1,249.88</u>	<u>1,017.71</u>
Less:- Provision for slow and non moving inventory	14.57	-
	<u>1,235.31</u>	<u>1,017.71</u>

Note 14: Trade receivables

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
-Unsecured		
Considered good	19.04	16.27
Considered doubtful	8.59	3.09
	<u>27.63</u>	<u>19.36</u>
Less: Provision for doubtful trade receivables	8.59	3.09
	<u>19.04</u>	<u>16.27</u>
(b) Other Trade receivables		
-Unsecured		
Considered good	1,224.61	927.37
Considered doubtful	0.21	0.02
	<u>1,224.82</u>	<u>927.39</u>
Less: Provision for doubtful trade receivables	0.21	0.02
	<u>1,224.61</u>	<u>927.37</u>
Total	<u>1,243.65</u>	<u>943.64</u>

Notes Forming Part of the Financial Statements

Note 15: Cash and cash equivalents

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Cash on hand	0.47	0.67
(b) Balances with banks		
(i) In current accounts	20.34	23.68
(ii) Fixed deposit maturing within 3 months	4.21	-
(c) Other banks balance		
(i) Fixed deposit maturing after 3 months but before 12 months (Includes Rs. 4.1 Million as margin money given against bill discounting)	24.87	9.26
(ii) Unpaid dividend amount	5.70	5.65
Total	55.59	39.26

Note 16: Short-term loans and advances

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Loans and advances to suppliers Unsecured, considered good	152.37	42.81
(b) Security deposits Unsecured-considered good	-	0.10
(c) Loans and advances to employees Unsecured-considered good	9.33	11.09
(d) Prepaid expenses - Unsecured-considered good	6.46	5.68
(e) Balances with government authorities Unsecured-considered good		
(i) CENVAT credit receivable	45.47	52.13
(ii) VAT credit receivable	7.70	5.75
(iii) Service Tax credit receivable	19.34	30.42
(f) Inter-corporate deposits Unsecured-considered good	-	184.24
(g) Others Unsecured-considered good	27.20	49.48
Total	267.87	381.70

Note 17: Other current assets

	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
(a) Unbilled revenue	20.64	158.83
(b) Interest accrued on deposits	2.15	0.48
(c) Others		
(i) Insurance claims receivable	1.18	1.29
(ii) Others	0.86	-
Total	24.83	160.60

Notes Forming Part of the Financial Statements

Note 18: Other Operating Income

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
(a) Sale of scrap	81.38	62.15
Income from services	20.24	4.22
Duty drawback and other export incentives	27.84	16.41
Total	129.46	82.78

Note 19: Other income

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Dividend income	0.04	0.03
Interest income		
Income Tax Refund	-	5.74
Fixed deposit with bank	1.94	4.00
Inter Corporate Deposits	18.33	22.62
Advance to suppliers	3.11	2.14
Others	0.35	0.37
Rental income	2.54	2.34
Discount received from vendor	8.40	3.34
Credit balances / excess provision written back	17.41	44.80
Miscellaneous income	22.22	7.85
Total	74.34	93.23

Notes Forming Part of the Financial Statements

Note 20-a: Cost of materials consumed

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Opening stock	644.86	491.90
Add: Purchases	8,238.27	7,102.15
Less: Closing stock	<u>813.79</u>	<u>644.86</u>
Cost of material consumed	8,069.34	6,949.19
Material consumed comprises:		
Tubes	1,302.26	1,130.48
Bright Bars	464.80	408.97
Shocks Fluid	265.35	183.03
Other items	<u>6,036.93</u>	<u>5,226.71</u>
Total	<u>8,069.34</u>	<u>6,949.19</u>

Note 20-b: Purchase of traded goods

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Purchase of Traded Goods	28.29	18.79
Purchase of Traded Goods comprises :		
Shock Absorber / Springs	6.52	4.22
Front fork Oils	8.54	2.30
Coolants	<u>13.23</u>	<u>12.27</u>
Total	<u>28.29</u>	<u>18.79</u>

Note 20-c: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Inventories at the beginning of the year:		
Finished goods	131.97	101.09
Work-in-progress	176.80	148.51
Stock-in-trade	<u>3.48</u>	<u>1.55</u>
	<u>312.25</u>	<u>251.15</u>
Inventories at the end of the year:		
Finished goods	106.10	131.97
Work-in-progress	223.69	176.80
Stock-in-trade	<u>6.48</u>	<u>3.48</u>
	<u>336.27</u>	<u>312.25</u>
Net (increase) / decrease	(24.02)	(61.10)

Note 21: Employee benefit expenses

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Salaries and wages	645.20	570.82
Contributions to provident and other funds	47.60	45.30
Staff welfare expenses	<u>101.27</u>	<u>84.41</u>
Total	<u>794.07</u>	<u>700.53</u>

Notes Forming Part of the Financial Statements

Note 22: Finance costs

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Interest	162.03	158.35
Other borrowing costs	8.06	12.91
Total	170.09	171.26

Note 23: Other expenses

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Consumption of stores and spare parts	196.13	218.01
Power and fuel	202.35	175.87
Rent including lease rentals	17.45	44.90
Repairs and maintenance		
- Buildings	15.80	12.84
- Machinery	114.90	78.86
- Others	37.24	24.18
Insurance	11.58	9.78
Rates and taxes	31.72	5.08
Communication	13.13	12.07
Travelling and conveyance	64.10	61.84
Printing and stationery	8.16	8.35
Freight and forwarding	226.20	180.78
Discount	83.71	70.53
Business promotion	7.33	8.16
Royalty	101.03	74.57
Donations and contributions	2.45	2.59
Legal and professional	202.70	129.21
Payments to auditors #	6.56	4.34
Bad debts and advances written off	-	2.14
Foreign exchange fluctuation (net)	44.39	2.69
Provision for assets not in use	-	1.54
Loss on Assets Sold / Scrapped (Net)	6.14	0.50
Provision for slow and non moving inventories	14.57	-
Director fee and commission	6.17	5.01
Provision for doubtful trade and other receivables, loans and advances (net)	9.22	1.14
Warranty	36.50	38.13
Miscellaneous expenses	35.67	31.39
Total	1,495.20	1,204.49
Payment to auditors		
As auditors	4.20	3.90
For taxation matters	0.28	-
For company law matters	-	0.20
For other services	1.86	0.18
Reimbursement of expenses	0.22	0.06
Total	6.56	4.34

Note 24: Exceptional items

	For the year ended 31 March, 2012 Rs. In Million	For the year ended 31 March, 2011 Rs. In Million
Profit on sale of investment	5.00	-
Profit on sale of assets	72.20	-
Total	77.20	-

Notes Forming Part of the Financial Statements

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

Particulars	As at 31 March, 2012 Rs. In Million	As at 31 March, 2011 Rs. In Million
Contingent liabilities :		
Bills discounted, Letters of Credit and Bank guarantees	318.97	400.02
Income Tax, Sales Tax, Service Tax and Excise duty against which the company is in appeal.	157.28	96.70
Claims against the Company, not acknowledged as debts	321.96	24.05
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	111.64	337.00

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

a) The following are the outstanding Forward Exchange Contracts entered into by the Company:

Sr. No.	Particulars	As at March 31, 2012		As at March 31, 2011	
		Amount in Foreign Currency (In million)	Amount in INR (In Million)	Amount in Foreign Currency (In Million)	Amount in INR (In Million)
1.	Assets				
	In EURO	0.05	3.47	0.53	33.35
	In USD	1.26	64.35	1.96	87.32
	In JPY	236.54	147.67	288.67	155.94
b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :				
1.	Liabilities				
	In EURO	0.05	3.33	0.27	16.78
	In USD	0.28	14.16	0.87	43.74
	In JPY	91.82	58.63	165.61	89.66
2.	Assets				
	In EURO	0.24	15.82	Nil	Nil
	In USD	0.88	45.24	0.46	20.7
	In JPY	Nil	Nil	Nil	Nil

26. The company is in the process of obtaining requisite clearance and completing the purchase formalities for the land situated at Khandsa, on which a manufacturing facility was set up in 2008. The company has paid an advance of Rs.90 million for the purchase of land which is included in Capital advance under the head Long term loans & advances.

27. DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

Particulars	As at 31 March, 2012	As at 31 March, 2011
		Rs. in Million
a) Principal amount remaining unpaid as at 31st March	44.66	105.13
b) Interest due thereon as at 31st March	3.20	3.2
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid as at 31st March	3.20	3.2
f) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

Notes Forming Part of the Financial Statements

28. Loans and advances include Rs.1.02 million (Previous year Rs.0.90 million) due from an officer of the company. Maximum amount due during the year Rs.1.19 million (Previous year Rs.1.32 million)

29. 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 the Indian market and the export turnover being 4.84% (Previous year 3.00%) of the total turnover of the Company, there are no reportable geographical segments.

30. RELATED PARTY TRANSACTIONS

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

A. Names of related parties and description of relationships

(As identified and certified by the Management)

1. Enterprise where control exists – Holding Company.

Holding Company

Asia Investments Private Limited

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

A Fellow Subsidiaries

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

B Associate

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

C Key Management Personnel

Mr. Arvind Walia (till 01-09-2011)
Mr. Manoj Kolhatkar (from 01-09-2011)

B. Details of Transactions

Particulars	Rs. In Million	
	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Services/Goods received		
<i>Holding company</i>	-	0.24
<i>Fellow Subsidiaries</i>	207.49	117.22
Services/Goods provided		
<i>Holding company</i>	5.34	0.05
<i>Fellow Subsidiaries</i>	17.36	13.64
<i>Associate companies</i>	0.33	0.24
Inter corporate deposits given		
<i>Fellow Subsidiaries</i>	40.00	110.00
Interest on inter corporate deposits received		
<i>Fellow Subsidiaries</i>	10.84	8.95
Repayment of Inter corporate deposits		
<i>Fellow Subsidiaries</i>	115.00	40.00
Fixed Assets		
<i>Fellow Subsidiaries</i>	-	0.64
Sale of Fixed assets		
<i>Fellow Subsidiaries</i>	0.39	1.12
Sale of Investments		
<i>Associate companies</i>	138.10	-
Directors' Remuneration		
Mr. Arvind Walia	11.47	9.00

Notes Forming Part of the Financial Statements

B. Details of Transactions

Particulars	Rs. In Million	
	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Mr. Prakash Kulkarni	1.98	8.00
Mr. Manoj Kolhatkar	5.48	-
Amount Outstanding as at Year end		
Reimbursement of expenses		
Holding company	(1.37)	0.33
<i>Fellow Subsidiaries</i>	2.03	(14.45)
<i>Associate Companies</i>	(0.30)	3.10
Inter corporate deposits		
<i>Fellow Subsidiaries</i>	-	83.95
Interest free deposits		
<i>Fellow Subsidiaries</i>	143.20	213.20
Towards Purchase for Fixed Assets		
<i>Fellow Subsidiaries</i>	-	0.64
Towards Sale for Fixed Assets		
<i>Fellow Subsidiaries</i>	0.39	1.12
Investment in shares		
<i>Associate companies</i>	-	133.09
Directors' Remuneration		
Mr. Arvind Walia	-	0.90

31. The Company has the following provision in the books of account as on March 31, 2012

Description	Rs. in Million			
	Balance as on 01.04.11	Additions during the year	Used/Paid/Reversed during the year	Balance as on 31.03.12
Provision for warranty	37.00	37.60	40.65	33.95
	(30.00)	(38.14)	(31.14)	(37.00)

Estimated warranty costs are accrued at the time of sale of components on which the warranty provisions are applicable. It is expected that majority of the warranty provision outstanding as on March 31, 2012 is likely to result in cash outflow within 18 months of the balance sheet date.

32. RESEARCH AND DEVELOPMENT EXPENDITURE

a) Accounting for Research and Development Expenditure incurred at R&D Centres recognized by DSIR

Particulars	R&D Centre No. 1		R&D Centre No. 2		R&D Centre No. 3		Total Company	
	Chakan		Nashik		Hosur			
	FY 11-12	FY 10-11	FY 11-12	FY 10-11	FY 11-12	FY 10-11	FY 11-12	FY 10-11
i) Capital Expenditure :								
Equipment purchase	4.58	3.09	0.94	-	17.35	-	22.87	3.09
Land and buildings	-	-	-	-	2.26	-	2.26	-
Total Capital Expenditure :	4.58	3.09	0.94	-	19.61	-	25.13	3.09
(ii) Revenue Expenditure :								
Personnel expenses	34.51	30.41	1.89	-	10.89	-	47.29	30.41
Raw Materials	0.08	0.95	0.11	-	-	-	0.19	0.95
Repair and Maintenance - P&M	0.57	0.02	-	-	0.10	-	0.67	0.02
- Others	0.41	0.33	0.15	-	0.11	-	0.67	0.33
Travel	2.72	5.52	0.03	-	0.20	-	2.95	5.52
Rent	0.01	-	-	-	-	-	0.01	-
Utilities	6.64	4.03	4.04	-	1.70	-	12.38	4.03
Vehicle Running and Maintenance	0.30	0.21	-	-	0.06	-	0.36	0.21
Other expenses	3.77	2.13	0.02	-	0.26	-	4.05	2.13
Total Revenue Expenditure	49.01	43.60	6.24	-	13.32	-	68.57	43.60
(iii) Less : Sales Proceeds (Income of R&D Centre)	-	-	-	-	-	-	-	-
(iv) Net Revenue Expenditure	49.01	43.60	6.24	-	13.32	-	68.57	43.60
(v) Total Capital & Revenue Expenditure	53.59	46.69	7.18	-	32.93	-	93.70	46.69

Note :-The R & D Centre of Chakan was recognised by DSIR in the FY 2010-11 and therefore revenue and capital expenditure for the said R & D Centre is disclosed in the previous year. During the current year, R & D Centres at Hosur and Nashik are recognised by the DSIR and accordingly revenue and capital expenditure incurred at the three R & D Centres for the year is disclosed above. These capital and revenue expenses are included in the respective heads in Balance Sheet and Statement of Profit & Loss.

Notes Forming Part of the Financial Statements

37. Activity in Foreign Currency

Particulars	Rs. in Million	
	As at 31 March, 2012	As at 31 March, 2011
Earning in foreign currency :		
FOB value of exports	519.96	263.78
	519.96	263.78
Expenditure in foreign currency (on cash basis) :		
(i) Commission to overseas agents	0.85	0.77
(ii) Foreign travel	1.27	6.66
(iii) Royalty	75.13	48.98
(iv) Professional fees, Other Technical & Assistance fees	7.28	5.42
	84.54	61.83

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

	2011-12		2010-11	
	% to Total Consumption	Value Rs. in Million	% to Total Consumption	Value Rs. in Million
Raw materials and components				
i) Direct Imports at landed cost	20%	1597.10	18%	1279.35
ii) Indigenous - Including value of imported items locally purchased	80%	6472.25	82%	5669.84
	100%	8069.34	100%	6949.19
Stores, spares and tools *				
i) Direct Imports at landed cost	13%	34.22	17%	48.25
ii) Indigenous - Including value of imported items locally purchased	87%	223.85	83%	237.16
	100%	258.07	100%	285.41
* Consumption for repairs to machinery (included in figure stated above)		61.94		67.40

39. Dividend Remitted In Foreign Currency

Particulars	No. of Non-Resident Shareholders	Number of shares to which dividends relates	Rs. in Million	
			As at 31 March, 2012	As at 31 March, 2011
Interim dividend	1	3,968,680	1.59	1.19
Final dividend	1	3,968,680	2.78	2.18
			Final dividend for the year 2010-11 and interim dividend for the year 2011-12	Final dividend for the year 2009-10 and interim dividend for the year 2010-11
Relating to year ending				

40. The company has identified certain assets which are not in use. The WDV of these assets as at March 31, 2012 is Rs.5.39 million (Previous year Rs. 14.98 million) and the same is fully provided for.

Notes Forming Part of the Financial Statements

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

(A) Defined Contribution Plans

Particulars	Rs. in Million	
	As at 31st March, 2012	As at 31st March, 2011
Contribution to Provident and Other Funds	47.59	45.31

(B) Defined Benefit Plans – Gratuity

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

Particulars	Rs. in Million				
	2012	2011	2010	2009	2008
Actuarial assumptions					
Discount rate	8.50%	8.00%	8.00%	8.00%	8.00%
Expected return on plan assets	8.40%	9.00%	8.65%	8.65%	-
Salary escalation	5.00%	4.50%	4.50%	4.50%	4.5%
Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	41.48	31.37	29.52	37.8	27.26
Current service cost	4.79	4.58	3.47	3.21	2.68
Interest cost	3.52	2.51	2.36	3.02	2.18
Benefits paid	(3.14)	(1.56)	(4.44)	(3.56)	(4.19)
Actuarial losses/(gains)	(4.00)	4.58	0.46	(10.96)	(12.97)
Present value of DBO at the end of the year	42.64	41.48	31.37	29.51	14.96
Change in fair value of Plan assets during the year					
Fair value of Plan Assets at beginning of the year	6.04	5.54	5.10	8.13	-
Expected return on plan assets	0.50	0.50	0.44	0.7	-
Current service cost	-	-	-	-	-
Contribution	36.21	-	-	-	-
Interest cost	-	-	-	-	-
Benefits paid	(0.16)	-	-	3.56	-
Actuarial losses/(gains)	1.51	-	-	(0.18)	-
Fair value of Plan Assets at the end of the year	44.06	6.04	5.54	5.1	-
Reconciliation of present value of the obligation and the fair value of plan assets					
Present value of defined benefit obligation at the end of the year	42.64	41.48	31.37	29.51	14.96
Fair value of Plan Assets at the end of the year	44.06	6.04	5.54	5.10	-
Funded status [Surplus / (Deficit)]	(1.41)	-	-	-	-
Unrecognised past service costs	-	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	(1.41)	35.44	25.83	24.41	14.96
Expenses recognised in the Profit and Loss account					
Current service cost	4.79	4.58	3.47	3.21	2.68
Interest cost	3.52	2.51	2.36	3.02	2.18
Expected return on plan assets	(0.50)	(0.50)	(0.44)	(0.70)	-
Net actuarial Loss recognized in the Profit and Loss Account	(5.51)	4.58	0.46	(10.78)	(12.97)
Total Expenses Recognised in Profit & Loss Account	2.30	11.17	5.85	(5.25)	(8.11)

All the above expenses has been included under Schedule 15

As at March 31, 2011 and March 31, 2010 all the plan assets have been invested in insurer managed funds.

Gratuity	2011-2012	2010- 2011	2009-2010	2008-2009	2007-2008
Present value of DBO	42.64	41.48	31.37	29.52	37.80
Fair value of plan assets	44.06	6.04	5.54	5.10	8.13
Funded status [Surplus / (Deficit)]	1.42	(35.44)	(25.83)	(24.42)	(29.67)
Experience gain / (loss) adjustments on plan liabilities	3.85	(4.58)	(0.46)	(2.77)	(41.42)
Experience gain / (loss) adjustments on plan assets	1.47	-	-	0.23	0.13

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.

Notes Forming Part of the Financial Statements

Para 132 of AS15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard No. 5 or Accounting Standard No. 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

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 July 28, 2009. The company has subsequently applied to the Central Government for approval of the excess payments. The Central Government gave approval as under :-

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

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

43. The company has availed the long term foreign currency buyers credit (foreign currency loan) amounting to Euro 1,013,956 with interest rate linked to Euribor. In order to hedge the currency risk and interest risk, the company has entered into SWAP and forward contracts with its bankers with terms similar to the original foreign currency loan. Pursuant to the hedging of the foreign currency and interest risk, the foreign currency loan has been recorded as a fixed Indian currency loan.
44. Previous year figures have been re-grouped/reclassified wherever necessary to conform to current years classification.

CEO/CFO Certification.

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

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

- (A) We have reviewed the financial statements and the cash flow statement for the quarter ended March 31 2012, and that to the best of our knowledge and belief
- (I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
 - (II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter which are fraudulent, illegal or violation of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (I) There has not been any significant changes in internal control over financial reporting during the quarter ended under reference;
 - (II) There has not been any significant changes in accounting policies during the quarter ended requiring disclosure in the notes to the financial statements; and
 - (III) There has not been any instance of significant fraud during the quarter.

Place : Pune
Date : May 30, 2012

Kawal Jaggi
Sr. Vice President - Finance

Manoj Kolhatkar
Managing Director

ATTENDANCE SLIP

Gabriel India Limited

Registered Office :

29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501
(To be handed over at the entrance of the Meeting Hall)

Name of the Shareholder
(in Block Letters)

Member's Folio
Number

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

No. of shares held.....

I hereby record my presence at the 50th Annual General Meeting on Tuesday, August 21, 2012 at the Auditorium, Gabriel India Limited, 29th Milestone, Pune-Nashik Highway, Village Kuruli, Taluka Khed, Pune 410 501.

Member's/Proxy's Signature

To be signed at the time of handing over this slip

Proxy

I/We of

being a Member of Gabriel India Limited, hereby appoint

..... of or failing him

..... of

as my/our proxy to attend and vote for me/us and on my/our behalf at the Fiftieth Annual General Meeting of the Company to be held on August 21, 2012 and at any adjournment thereof.

As witness my/our hand (s) this day of 2012

Signed by the said.....

Affix
Re. 1
Revenue
Stamp