

GABRIEL



BRAND **GABRIEL**

GABRIEL INDIA LIMITED
ANNUAL REPORT **2014/15**

A RESURGENT INDIA RIDES BRAND GABRIEL.

A COMPANY THAT
DEFINES ITS INDUSTRY
SPACE.

A COMPANY THAT
MEANS ASSURANCES
FULFILLED.

A COMPANY THAT IS
A 'GREAT PLACE TO
WORK[®]'.

A COMPANY THAT
REPRESENTS A SAFE
ASSET CLASS.

CONTENTS

12 CORPORATE IDENTITY 14 THIS IS WHAT WE ACHIEVED IN A CHALLENGING
2014-15 16 CHAIRPERSON'S REVIEW 18 MANAGING DIRECTOR'S REVIEW
20 AN ICONIC BRAND 22 STRATEGIC BUSINESS UNITS 29 RISK
MANAGEMENT 31 CORPORATE SOCIAL RESPONSIBILITY 35 BOARD
OF DIRECTORS 36 FINANCIAL HIGHLIGHTS 37 WORKING RESULTS AT A
GLANCE 38 NOTICE 48 REPORT OF BOARD OF DIRECTORS 79 REPORT ON
CORPORATE GOVERNANCE 97 MANAGEMENT DISCUSSION AND ANALYSIS
REPORT 102 AUDITOR'S REPORT 106 BALANCE SHEET 107 STATEMENT
OF PROFIT & LOSS 108 CASH FLOW STATEMENT 110 SCHEDULES TO
BALANCE SHEET 136 CEO/CFO'S CERTIFICATE

IN A CHALLENGING
2014-15, INDIA'S
AUTOMOTIVE
SECTOR GREW 7.2%;
GABRIEL REVENUES
GREW 12.08% AND
PROFIT AFTER TAX
STRENGTHENED
40.90%.



Industry outperformance

7.2%

Automotive sector
growth in 2014-15

12.08%

Gabriel revenue
growth, 2014-15

Improved capital efficiency

18%

ROCE, 2013-14

25.5%

ROCE, 2014-15



THIS IS WHAT YOU SEE
WHEN YOU APPRAISE...

GAB

Better expense control

13.7%

Expenditure as a
percentage of net
sales, 2013-14

12.3%

Expenditure as a
percentage of net
sales, 2014-15

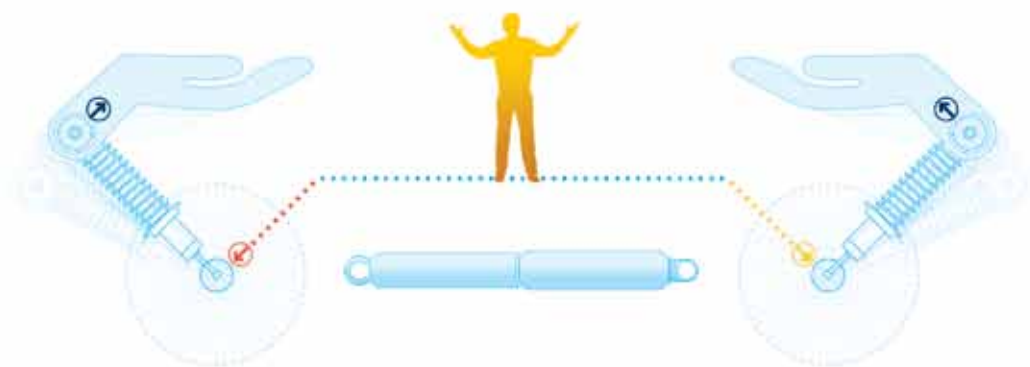
Rising margins

7.1%

EBITDA margin,
2013-14

8.3%

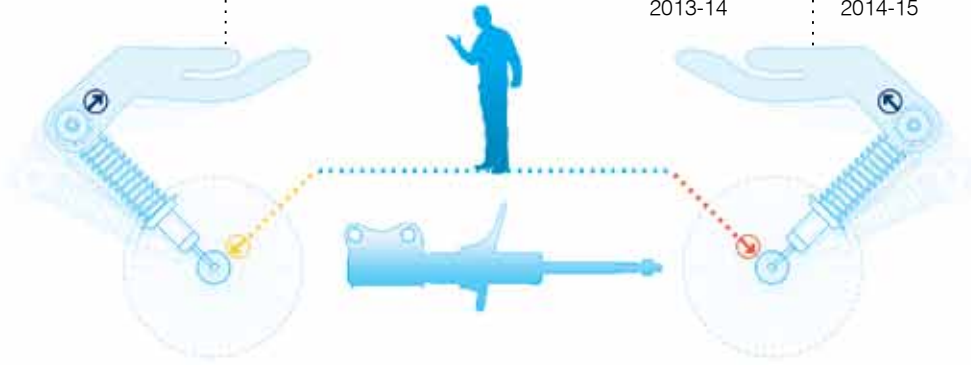
EBITDA margin,
2014-15



Stronger organisational efficiency

10.9Inventory turns (x),
2013-14**12.7**Inventory turns (x),
2014-15

Better working capital management

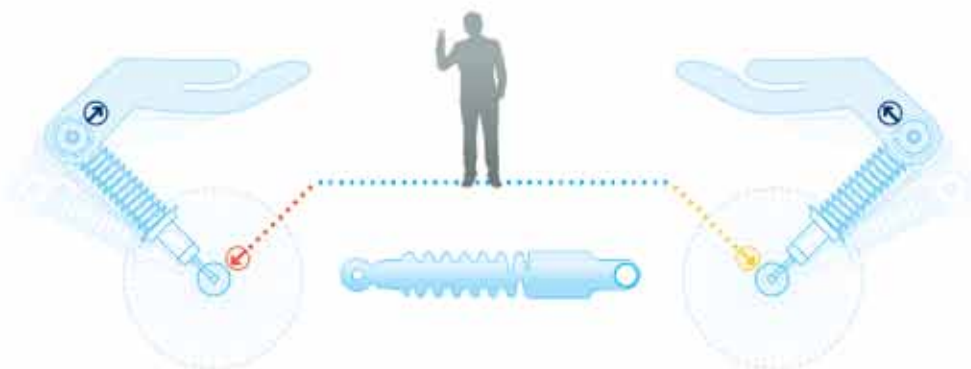
27Net working
capital (days),
2013-14**22**Net working capital
(days),
2014-15

RIEL

Lower gearing

0.23Debt-equity ratio,
2013-14**0.04**Debt-equity ratio,
2014-15

Better shareholder returns

4,252Market capitalisation
(₹/mn), March 31, 2014**12,353**Market capitalisation
(₹/mn), March 31, 2015

An enduringly successful brand does not only stand proxy for its company; it stands as a recall for its entire industry.

Gabriel is one such brand, having progressively evolved from a specific indication to a generic reference.

Gabriel is synonymous with shock absorbers.

The result is that when OEMs need to select a shock absorber for their upcoming models, the first choice is Gabriel. When a multinational automobile brand, with demanding quality standards, enters India, the first company shortlisted for shock absorber design, development and delivery is Gabriel. When an aftermarket customer ventures to seek a shock absorber replacement, the first request is 'Please, give me a Gabriel only.'

There is but one reason why Gabriel has reinforced its multi-decade industry leadership position. The Company has navigated product development beyond the immediate requirements of the day.

The result is that Gabriel has always focused on providing tomorrow's products today. This has been reflected across some of the most decisive periods in the country's automobile history – from the protected pre-liberalisation age to a post-liberalisation multinational competition era. Automobile brands changed; their requirements evolved; the ride control brand remained constant.

At Gabriel, this enduring success transpired for a number of reasons.

Gabriel leveraged a rich multi-decade experience to design what ride control products needed across vehicles, uses, terrains and automobile structures.

Gabriel made proactive investments in product development over the last five years.

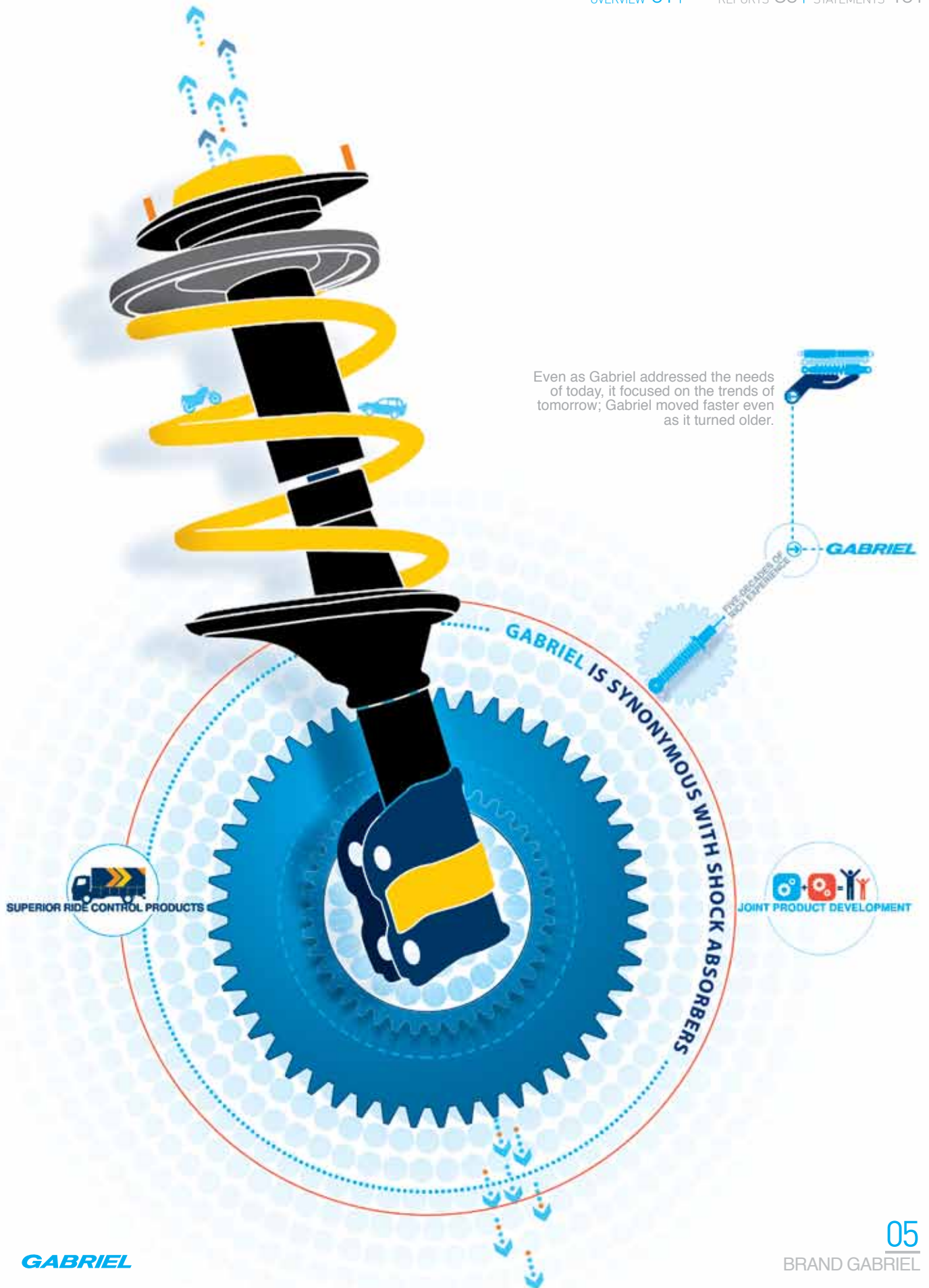
Gabriel kept pushing the frontier; for instance, the Company pioneered the launch of multiple superior ride control products in India across the last decade.

Gabriel created the widest shock absorber portfolio in India – a fit for every vehicle on Indian roads – making it the first stop for any multinational automotive OEM intending to enter the country.

Gabriel's ability to stay ahead of the industry curve is reflected in its industry outperformance. In 2014-15, the Indian automobile industry grew 7.2%; Gabriel grew revenues 12.08%.

The message of the story: even as Gabriel addressed the needs of today, it focused on the trends of tomorrow; Gabriel moved faster even as it turned older.

GABRIEL DEFINES THE VERY SECTOR OF ITS PRESENCE.





The number of Gabriel's institutional customers has progressively increased, as have the shares of business from the customers.

The sign of a successful brand is not a logo or a tagline; it is a customer's peace of mind.

In a business where industry needs keep evolving all the time – smoothness, safety, lightness, robustness, cost and environment-friendliness – success is derived from the ability to address diverse demanding customer requirements.

Over the decades, Gabriel strengthened its customer orientation with a singular focus. The Company made proactive investments in agreements with technology majors. The result is that Gabriel's products are benchmarked not just with prevailing Indian standards; they are benchmarked with some of the highest in the world.

Most automobile OEMs in India fit their vehicles with Gabriel's ride control products, generating an overarching brand recall.

Gabriel means 'assurances fulfilled'.

Over the years, Gabriel has consistently reinforced this commitment through the following initiatives:

Gabriel entered into business-strengthening collaborations with global giants like KYB Corporation (Japan), KYBSE (Spain), Yamaha Motor Hydraulic Systems (Japan) and KONI BV, the Netherlands, resulting in the most contemporary technology standards. These collaborations have empowered Gabriel to provide futuristic products to global OEMs in India.

Gabriel offers superior products and value-added engineering services by working with OEMs from the vehicle development stage, resulting in higher product acceptability and faster vehicle development.

Gabriel provides value-added services in the area of noise measurement, value engineering, cost reduction through product localisation as well as a cutting-edge facility to conduct ride-tuning exercises through custom-built mobile ride-tuning vans.

Gabriel took a decisive step through the creation of a Central Technical Services team to design and assemble special purpose machines customised around global technologies and Indian requirements.

Gabriel invested in best-in-class facilities and automation, making it possible to manufacture one shock absorber every second.

The result is that the number of Gabriel's institutional customers has progressively increased, as have the shares of business from the customers.

This has not only helped Gabriel sustain a six-year CAGR revenue growth at 16%; the Company enjoys a sizeable market share in the commercial vehicles segment, one of the most challenging in the country's automotive sector. The Company also enjoys substantial market share in the passenger car, two and three-wheeler and aftermarket segments.

GABRIEL MEANS ASSURANCES FULFILLED.

The appeal of a great brand lies in the 'smell' of the place where the product is made. The sign of a distinctive company is not as much in its products as it is in its passion.

Gabriel is a company driven by passion. This passion has been reflected in a newer way of doing things. In doing better than one has done in the past. In doing better than anyone has ever done.

Gabriel's passion epitomises a fundamental respect for people, delegation, accountability-cum-responsibility, career growth and respect for merit. Over time, this culture has helped attract professionals, enhance retention, enrich knowledge and aggregate intellectual capital.

A substantial portion of Gabriel's employee base has been with the Company for 10 years or more. The organisational average age depicts a blend of experience and enthusiasm.

Revenues per employee increased from ₹4.6 million in 2013-14 to ₹5.1 million in 2014-15.

In turn, this competence has translated into industry outperformance, improved financials, increased market share and higher exports.

Gabriel stands for rich knowledge capital.

Over the years, Gabriel has strengthened its people commitment through the following initiatives:

Gabriel enhanced people productivity through strategic business units (addressing segments like commercial vehicle, passenger cars, two and three-wheelers and aftermarket).

Gabriel invested in training in contemporary techniques (Lean, Kaizen, Six Sigma and 5S) strengthening technical and management capabilities.

Gabriel strengthened Quality Circles, Kaizen, VSME and AIMA (young managers' competition), enriching its intellectual ferment.

Gabriel implemented various programmes, namely Anand Leadership Development Programme (ALDP), Anand Talent Programme and Anand Mentor Programme, strengthening its knowledge capital.

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

Gabriel recognised employees through the MD's Flash Programme, motivating them to achieve above and beyond the call of duty.

The result is that Gabriel India has been selected as a 'Great Place to Work', respected for its ability to transform employees of today into business drivers of tomorrow.

GABRIEL IS A GREAT PLACE TO WORK.