

**Bold M&A Drive for Diversification and Global Expansion**

**CMP: INR 843**

**Rating: Buy**

**TP : 1,258**

**Stock Info**

NSE	GABRIEL
Bloomberg	GABRIEL:IN
Sector	Auto Components & Equipment
Face Value (INR)	1
Equity Cap (INR Mn)	180.7
Mkt Cap (INR Mn)	1,21,080
52w H/L (INR)	843/387
Avg Yearly Volume (in 000')	45.56

**Shareholding Pattern %**

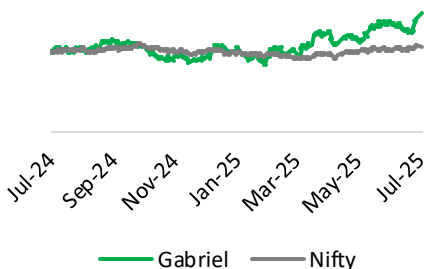
(As on March 2025)

Promoters & Promoter Group	55.00
Public & Others	45.00

**Stock Performance (%)**

	1m	6m	12m
Gabriel	21.2	48.06	46.08
Nifty 50	8.49	7.92	5.7

**Gabriel Vs Nifty 50**



Abhishek Jain  
abhishek.jain@arihantcapital.com  
022 67114851

Jyoti Singh  
jyoti.singh@arihantcapital.com  
022 67114834

Gabriel India has announced a composite scheme of arrangement involving the merger of Anchemco India Pvt Ltd into Asia Investments Pvt Ltd, followed by the demerger of AIPL's automotive business into Gabriel. As part of the transaction, Gabriel will issue shares to AIPL shareholders in a swap ratio of 1,158 Gabriel shares for every 1,000 AIPL shares, resulting in an increase in promoter holding from 55% to 63.5%. This move marks Gabriel's transition from a suspension-only player to a diversified, multi-product automotive component platform, adding capabilities in coolants, adhesives, NVH solutions, BIW components, and more. The restructuring is strategically aligned with the ANAND Group's vision of achieving INR 500 Bn in revenue by 2030. The scheme is value-accretive, cash-neutral, and enhances Gabriel's positioning in the global mobility ecosystem. Completion of the transaction is expected within 10–12 months, subject to shareholder and NCLT approvals.

**Investment Rationale:**

**Strategic Transformation and Business Realignment:** Gabriel India is evolving from a suspension-focused company into a diversified, technology-led mobility solutions provider. As part of a composite scheme, the merger of Anchemco into Asia Investments Private Limited (AIPL), followed by the demerger of AIPL's automotive business into Gabriel India, marks a strategic pivot. This transformation allows Gabriel to consolidate mature businesses and joint venture investments under a single listed platform, unlocking scale and improving capital efficiency. The company is fully integrating Anchemco and acquiring strategic stakes in Dana Anand (25.1%), Henkel Anand (49%), and Anand CY Myutec (76%). This positions Gabriel as the Anand Group's flagship growth platform, aligned with its INR 5,00,000 Mn revenue target by FY30.

**Diversification, Scale and Synergy Benefits:** The transaction adds ~INR 40,000 Mn in topline to Gabriel's existing INR 35,000 Mn base-nearly doubling scale without debt. It brings operating leverage and unlocks synergies in R&D, supply chain, and aftermarket channels. Gabriel's strong OEM and EV presence will enhance scale-up for Anchemco and ACYM, while addressing investor concerns around business complexity and product concentration.

**Earnings Accretion and Strengthened Financial Profile:** The deal is EPS-accretive, with a projected FY25 uplift of INR 7/share. Margins are healthy across entities: Henkel Anand at 26% EBITDA and ~60% ROE, Dana at 16%, and Anchemco/ACYM at ~12%. With zero leverage and expanded earnings capacity, Gabriel is better placed to raise capital for future growth.

**Stronger Market Positioning and Balanced Portfolio:** Post-merger, Gabriel gains a more balanced mix across 2Ws, PVs, and CVs. Dana Anand and Anchemco strengthen the CV segment, Henkel and ACYM enhance PV presence, while Gabriel maintains >70% share in 2W EVs. This reduces segment concentration and adds high-growth adjacencies like lightweight forgings and specialty fluids.

**Governance Simplification and Long-Term Value Creation:** The restructuring simplifies group operations, improves transparency, and enhances shareholder value. Promoter holding post-transaction stands at 63.5%. With strong promoter backing, a focused strategy, and scalable structure, Gabriel is poised for long-term, sustainable growth.

**Outlook & Valuations:** Gabriel adopts a bold growth outlook through mergers with Anchemco and ACYM, gaining exposure to the DANA/Henkel joint ventures. The move diversifies revenue across 2W, PV, and CV segments, boosts aftermarket reach, and opens global opportunities, with all acquired entities delivering double-digit growth and healthy profitability. The company's enhanced structure is expected to unlock cross-selling potential and improve platform efficiency over time. **We expect Gabriel's revenue, EBITDA, and PAT to grow at a CAGR of 26%, 36.7%, and 37%, respectively, over FY26-FY28E. We maintain our Buy ratings on the stock with a revised target price of INR 1,258, based on SOTP Valuation.**

**Exhibit: Financial Performance**

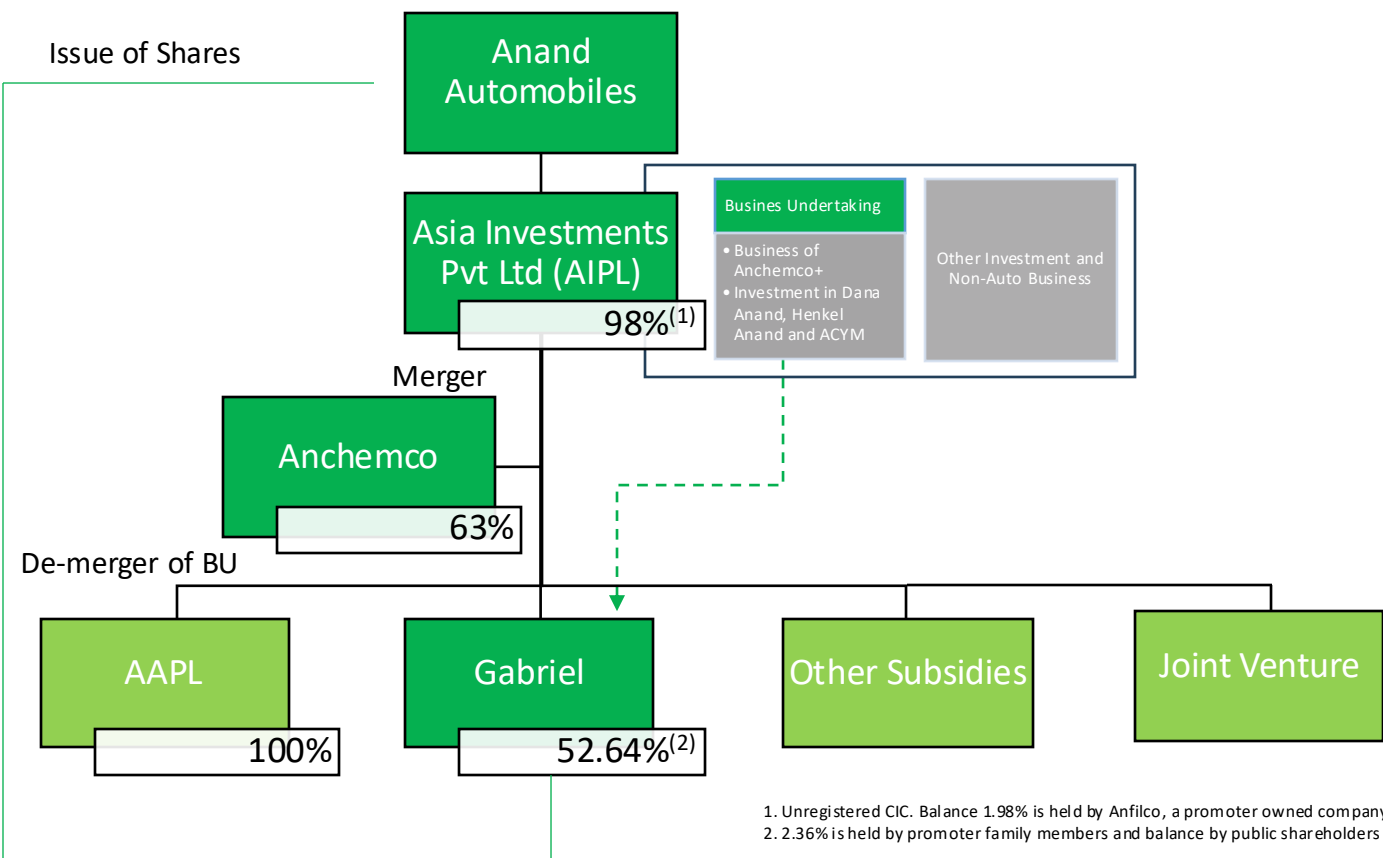
Year end March (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	29,718	34,026	40,634	55,439	70,817	92,076
EBITDA	2,137	2,931	3,897	6,109	8,654	11,953
EBITDA Margin (%)	7.2	8.6	9.6	11.0	12.2	13.0
PAT	1,306	1,787	2,450	4,075	5,720	8,033
PAT Margin	4.4	5.3	6.0	7.4	8.1	8.7
EPS (INR)	9.1	12.4	17.1	22.6	31.7	44.5
EV/EBITDA	67.49	49.46	37.28	23.39	16.22	11.39
RoE	15.01%	17.84%	20.70%	25.56%	26.40%	27.05%

Source: Arihant Research, Company Filings

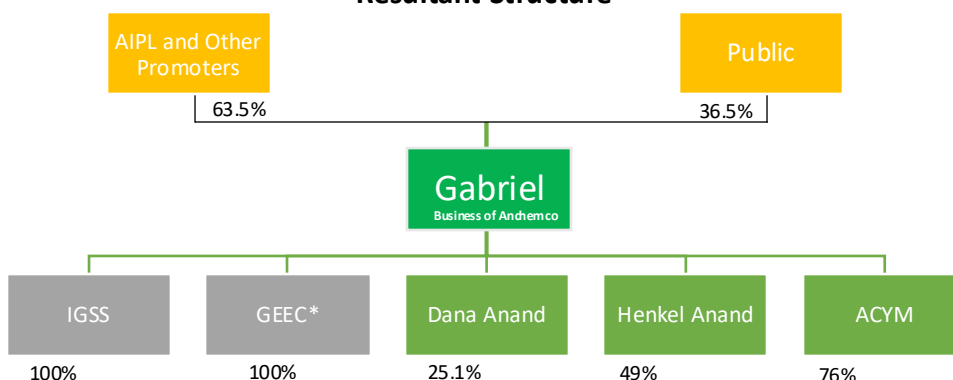
Overview Of Proposed Scheme

As part of the composite scheme, the transaction unfolds in three key steps. First, Anchemco is merged into Asia Investments Private Limited (AIPL). In the second step, the automotive business undertaking of AIPL—which includes the business of Anchemco along with its investments in Dana Anand, Henkel Anand, and Anand CY Myutec (ACYM)—is demerged into Gabriel India. Finally, Gabriel issues shares to the shareholders of AIPL as consideration for the demerger. Post this transaction, Gabriel India’s portfolio expands beyond its core suspension business of dampers, shock absorbers, and front forks to include Anchemco’s fluids and adhesives business. Its 100% subsidiaries, IGSS (sunroofs) and GEEC (European R&D tech center), remain part of Gabriel. Additionally, Gabriel acquires strategic stakes in Dana Anand (25.1%), Henkel Anand (49%), and ACYM (76%), as reflected in the resulting structure shown in the presentation.

Transaction Mechanics

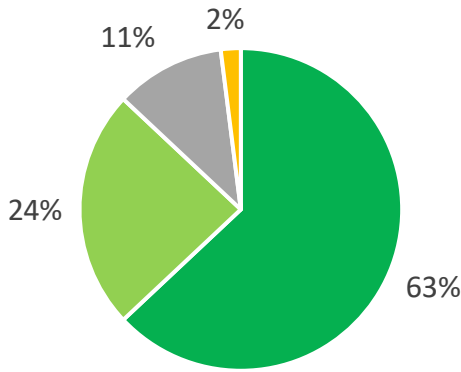


Resultant Structure



Source: Arianth Research, Company Filings

Segment Mix – FY25



Gabriel India is strengthening its innovation and technical capabilities through its European Engineering Centre (GEEC), which supports the co-development of advanced technologies with global partners. The company is also prioritizing a fuel-agnostic product strategy, ensuring relevance across evolving drivetrain platforms without over-reliance on EV-specific components. As the designated vehicle for the group’s future M&A and JV activity, Gabriel is expected to pursue acquisitions at an accelerated pace—beyond the one-deal-per-year approach followed earlier. These initiatives are aimed at enhancing long-term competitiveness and deepening Gabriel’s technology-led value proposition.

■ 2W/3W ■ PC ■ CVR ■ Trading

Exhibit: FY25 Overview of Entities (INR Mn)

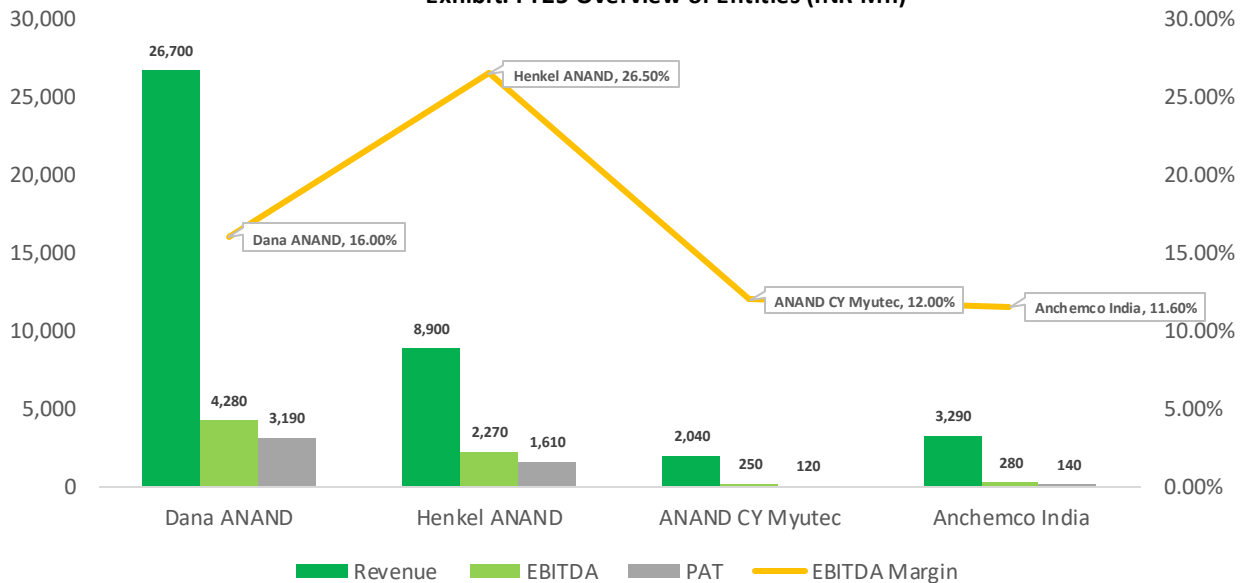
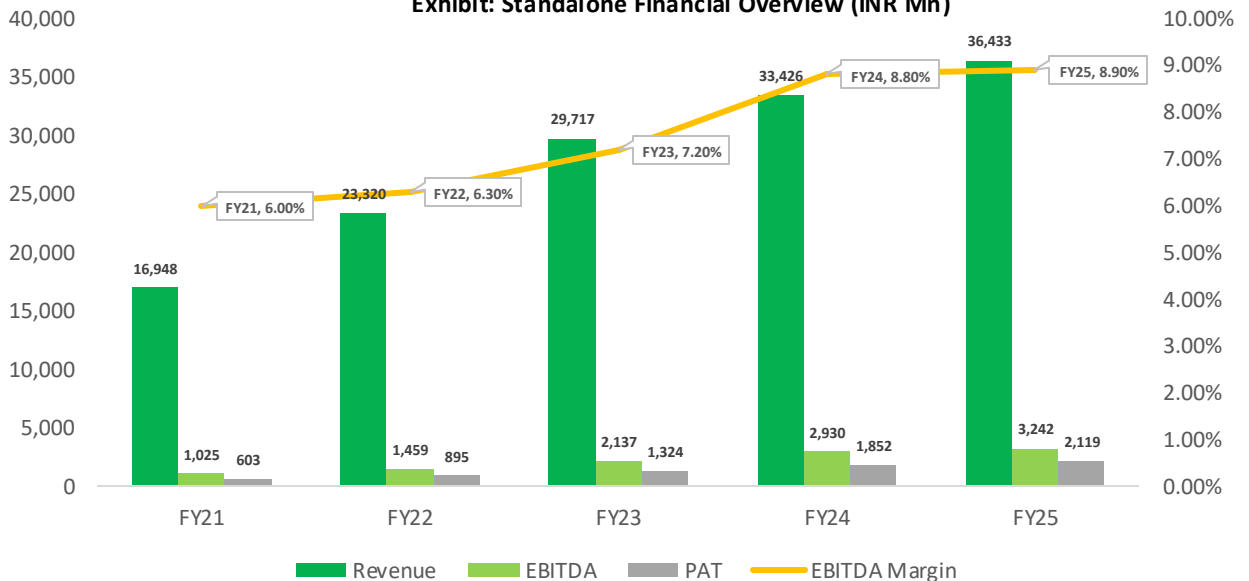


Exhibit: Standalone Financial Overview (INR Mn)



Source: Arianth Research, Company Filings

## Income statement (INR mn)

Year End-March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross Sales	29,718	34,026	40,634	55,439	70,817	92,076
<b>Net Sales</b>	<b>29,718</b>	<b>34,026</b>	<b>40,634</b>	<b>55,439</b>	<b>70,817</b>	<b>92,076</b>
YoY (%)	27.3	14.5	19.4	36.4	27.7	30.0
<b>Adjusted RMC</b>	<b>22,688</b>	<b>25,518</b>	<b>30,109</b>	<b>40,531</b>	<b>51,073</b>	<b>65,898</b>
YoY (%)	27.0	12.5	18.0	34.6	26.0	29.0
<b>Personnel/ Employee benefit expenses</b>	<b>1,831</b>	<b>2,123</b>	<b>2,528</b>	<b>3,267</b>	<b>4,135</b>	<b>5,327</b>
YoY (%)	14.7	16.0	19.1	29.2	26.6	28.8
<i>Manufacturing &amp; Other Expenses</i>	<i>3,061</i>	<i>3,455</i>	<i>4,099</i>	<i>5,532</i>	<i>6,955</i>	<i>8,898</i>
YoY (%)	27.6	12.8	18.7	35.0	25.7	27.9
<b>Total Expenditure</b>	<b>27,580</b>	<b>31,096</b>	<b>36,737</b>	<b>49,330</b>	<b>62,163</b>	<b>80,123</b>
YoY (%)	26.2	12.7	18.1	34.3	26.0	28.9
<b>EBITDA</b>	<b>2,137</b>	<b>2,931</b>	<b>3,897</b>	<b>6,109</b>	<b>8,654</b>	<b>11,953</b>
YoY (%)	44.7	37.1	33.0	56.8	41.7	38.1
<b>EBITDA Margin (%)</b>	<b>7.2</b>	<b>8.6</b>	<b>9.6</b>	<b>11.0</b>	<b>12.2</b>	<b>13.0</b>
Depreciation	510	599	731	868	1,042	1,284
% of Gross Block	7.8%	7.7%	8.2%	8.2%	14.8%	14.7%
<b>EBIT</b>	<b>1,627</b>	<b>2,331</b>	<b>3,165</b>	<b>5,145</b>	<b>7,496</b>	<b>10,562</b>
EBIT Margin (%)	5.5	6.9	7.8	9.3	10.6	11.5
Interest Expenses	46	82	91	95	100	105
Non-operating/ Other income	173	190	260	354	187	187
<b>PBT</b>	<b>1,754</b>	<b>2,438</b>	<b>3,242</b>	<b>5,392</b>	<b>7,571</b>	<b>2,462</b>
Tax-Total	448	651	792	1,317	1,851	2,599
<b>Adj. Net Profit</b>	<b>1,306</b>	<b>1,787</b>	<b>2,450</b>	<b>4,075</b>	<b>5,720</b>	<b>8,033</b>
PAT Margin	4.4	5.3	6.0	7.4	8.1	8.7
Shares o/s/ paid up equity sh capital	143.6	143.6	143.6	180.7	180.7	180.7
Adj EPS	9.1	12.4	17.1	22.6	31.7	44.5

## Balance sheet

Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Sources of Funds</b>						
Equity Share Capital	144	144	144	181	181	181
Reserves & Surplus/ Other Equity	8,559	9,878	11,689	15,764	21,484	29,517
<b>Networth</b>	<b>8,703</b>	<b>10,022</b>	<b>11,833</b>	<b>15,945</b>	<b>21,665</b>	<b>29,698</b>
Unsecured Loans/ Borrowings/ Lease Liabilities	94	452	402	483	531	584
<b>Total Debt</b>	<b>94</b>	<b>452</b>	<b>402</b>	<b>483</b>	<b>531</b>	<b>584</b>
<b>Total Liabilities</b>	<b>14,280</b>	<b>17,795</b>	<b>20,243</b>	<b>26,302</b>	<b>34,372</b>	<b>45,313</b>
<b>Application of Funds</b>						
Gross block	4,258	5,598	6,752	7,222	8,574	10,568
<b>Net Fixed Assets</b>	<b>4,258</b>	<b>5,598</b>	<b>6,752</b>	<b>7,222</b>	<b>8,574</b>	<b>10,568</b>
Capital WIP	296	392	418	543	652	782
Investments/ Notes/ Fair value measurement	303	405	434	548	768	885
<b>Current assets</b>	<b>9,423</b>	<b>11,401</b>	<b>12,639</b>	<b>17,988</b>	<b>24,378</b>	<b>33,077</b>
Inventory	2,248	3,015	3,639	4,358	5,265	6,590
Debtors	3,837	4,914	6,002	7,560	9,476	11,729
Other Current Assets	2,259	2,701	2,599	3,191	4,223	5,000
Bank	676	165	16	116	219	394
Cash	398	599	378	2,758	5,190	9,359
<b>Current Liabilities/Provisions</b>	<b>5,193</b>	<b>7,050</b>	<b>7,721</b>	<b>9,592</b>	<b>11,895</b>	<b>14,746</b>
Creditors / Trade Payables	4,405	5,877	6,262	8,088	10,192	12,804
Liabilities	585	722	821	928	1,053	1,197
Provisions	204	197	368	256	274	299
<b>Net Core Working Capital</b>	<b>4,230</b>	<b>4,350</b>	<b>4,918</b>	<b>8,397</b>	<b>12,483</b>	<b>18,331</b>
<b>Net Current Assets</b>	<b>9,423</b>	<b>11,401</b>	<b>12,639</b>	<b>17,988</b>	<b>24,378</b>	<b>33,077</b>
<b>Total Asset</b>	<b>14,280</b>	<b>17,795</b>	<b>20,243</b>	<b>26,302</b>	<b>34,372</b>	<b>45,313</b>
<b>Total Capital Employed</b>	<b>4,857</b>	<b>6,394</b>	<b>7,604</b>	<b>8,313</b>	<b>9,994</b>	<b>12,236</b>

## Cash Flow Statement

Year End-March	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Retained Earning</b>	<b>1,069</b>	<b>1,334</b>	<b>1,911</b>	<b>3,178</b>	<b>4,462</b>	<b>6,185</b>
<b>Adjustments: Add</b>						
Depreciation and amortisation	510	599	731	868	1,042	1,284
Interest adjustment	(127)	(107)	(169)	(259)	(87)	(82)
<b>Change in assets and liabilities</b>	<b>1,453</b>	<b>1,826</b>	<b>2,473</b>	<b>3,787</b>	<b>5,416</b>	<b>7,387</b>
Inventories	(148)	(767)	(624)	(719)	(907)	(1,325)
Trade receivables	(13)	(1,077)	(1,088)	(1,558)	(1,916)	(2,253)
Trade payables	(327)	1,473	384	1,827	2,104	2,612
Other Liabilities and provisions	14	109	95	108	124	144
Other Assets	341	(442)	103	(592)	(1,032)	(777)
Taxes	38	(42)	(49)	23	(13)	(8)
<b>Net cash from operating activities</b>	<b>1,310</b>	<b>1,565</b>	<b>665</b>	<b>3,292</b>	<b>4,571</b>	<b>6,293</b>
Net Sale/(Purchase) of tangible and intangible assets, Capital work in progress	(964)	(2,036)	(1,913)	(1,424)	(2,462)	(3,351)
Net Sale/(Purchase) of investments	(48)	2	(4)	(104)	(203)	(105)
Others	252	106	264	311	136	125
<b>Net cash (used) in investing activities</b>	<b>(712)</b>	<b>(2,160)</b>	<b>(1,006)</b>	<b>(1,586)</b>	<b>(3,267)</b>	<b>(3,774)</b>
Interest expense	(260)	(86)	(477)	(64)	70	82
Other financing activities	(46)	(82)	(91)	(95)	(99)	(104)
<b>Net cash (used) in financing activities</b>	<b>(69)</b>	<b>285</b>	<b>(29)</b>	<b>774</b>	<b>1,229</b>	<b>1,826</b>
<b>Closing Balance</b>	<b>1,075</b>	<b>765</b>	<b>394</b>	<b>2,875</b>	<b>5,408</b>	<b>9,753</b>
<b>FCF</b>	<b>533</b>	<b>145</b>	<b>(1,028)</b>	<b>2,184</b>	<b>2,447</b>	<b>3,346</b>
Capex ( % of sales )	776.37	1150.00	1137.75	1663.18	2124.52	2946.44

## Key Ratios

Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Solvency Ratios</b>						
Debt / Equity	0.01	0.05	0.03	0.03	0.02	0.02
Net Debt / Equity	-0.11	-0.03	0.00	-0.15	-0.22	-0.31
Debt / EBITDA	0.04	0.15	0.10	0.08	0.06	0.05
<b>DuPont Analysis</b>						
Sales/Assets	2.08	1.91	2.01	2.11	2.06	2.03
Assets/Equity	1.64	1.78	1.71	1.65	1.59	1.53
RoE	15.01%	17.84%	20.70%	25.56%	26.40%	27.05%
<b>Per share ratios</b>						
Reported EPS	9.10	12.44	17.06	22.55	31.66	44.46
Dividend per share	1.65	3.16	3.75	4.96	6.96	10.23
BV per share	60.59	69.77	82.38	88.25	119.91	164.37
<b>Profitability ratios</b>						
Net Profit Margin (PAT/Net sales)	4.40	5.25	6.03	7.35	8.08	8.72
Gross Profit / Net Sales	23.66	25.01	25.90	26.89	27.88	28.43
EBITDA / Net Sales	7.19	8.61	9.59	11.02	12.22	12.98
PAT / Net Sales	4.40	5.25	6.03	7.35	8.08	8.72
ROCE (%)	17.90%	21.69%	25.28%	30.79%	33.35%	34.55%
<b>Activity ratios</b>						
Inventory Days	34.97	37.64	40.33	39.25	37.63	36.50
Debtor Days	47.05	46.94	49.03	49.77	48.84	46.50
Creditor Days	73.01	71.39	72.08	71.57	71.57	69.52
<b>Valuation ratios</b>						
EV / EBITDA	67.49	49.46	37.28	23.39	16.22	11.39
EV / EBIT	88.67	62.18	45.90	27.77	18.73	12.89
EV / Net Sales	4.85	4.26	3.58	2.58	1.98	1.48
PE (x)	111.2	81.2	59.3	44.8	31.9	22.7

**Arihant Research Desk**

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

**Head Office**

#1011, Solitaire Corporate Park  
Building No. 10, 1<sup>st</sup> Floor  
Andheri Ghatkopar Link Road  
Chakala, Andheri (E)  
Mumbai – 400093  
Tel: (91-22) 42254800

**Registered Office**

6 Lad Colony,  
Y.N. Road,  
Indore - 452003, (M.P.)  
Tel: (91-731) 4217100/101  
CIN: L66120MP1992PLC007182

**Stock Rating Scale****Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

**Research Analyst  
Registration No.****Contact****Website****Email Id**

**INH000002764**

**SMS: 'Arihant' to 56677**

[www.arihantcapital.com](http://www.arihantcapital.com)

[instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800

**Disclaimer:** This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800