

FORTY THIRD ANNUAL REPORT 2017



SUNDARAM BRAKE LININGS LIMITED



BOARD OF DIRECTORS

K Mahesh

Chairman

K Ramesh - Director

T Kannan - Director

P S Raman - Director

Ashok V Chowgule - Director

K S Ranganathan - Director

K S D Sambasivam - Director

Sandhya Subramanyam - Director

Krishna Mahesh - Managing Director

BOARD'S SUB-COMMITTEES

1. AUDIT COMMITTEE

T Kannan - Chairperson

P S Raman

Ashok V Chowgule

K S Ranganathan

K S D Sambasivam

Sandhya Subramanyam

2. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Ashok V Chowgule - Chairperson

T Kannan

K Mahesh

3. NOMINATION & REMUNERATION COMMITTEE

K S Ranganathan - Chairperson

Ashok V Chowgule

K S D Sambasivam

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

K S D Sambasivam - Chairperson

K S Ranganathan

Krishna Mahesh

SENIOR MANAGEMENT

G R Chandramouli - President (Marketing & Market Development)

S Ramabadran - Chief Financial Officer & Company Secretary

Chief Investor Relations
Officer / Compliance Officer

BANKERS

State Bank of India

Industrial Finance Branch, Chennai 600 002

Export-Import Bank of India

Overseas Towers, 4th & 5th Floor,
756-L Anna Salai, Chennai - 600 002

STATUTORY AUDITORS

Sundaram & Srinivasan

Chartered Accountants

New No. 4, old No. 23,

C.P. Ramasamy Road,

Alwarpet, Chennai - 600 018.

E-mail : yessendes@vsnl.net

Phone No: 044-2498 8762

SECRETARIAL AUDITOR

V Suresh

Practising Company Secretary

28, 1st Floor, Ganapathy Colony,

3rd Street, Teynampet, Chennai 600 018.

E-mail : vsureshpcs@gmail.com

Phone No: 044-24336022

REGISTERED OFFICE

180 Anna Salai, Chennai 600 006.

FACTORIES

1. Padi, Chennai, Pin code 600 050

Phone No. 044 - 26257853

Fax No. 044 - 26254770

E-mail : sbl@tvssbl.com

2. TSK Puram - Plant I & II

Mustakurichi Post, Virudhunagar District

Pin code 626 106

Phone Nos. 04566 - 250290 to 250295

E-mail: tskp@tvssbl.com; tskp2@tvssbl.com

3. Plant 4 & 5 - Mahindra World City (SEZ)

Natham Sub-Post, Chengalpet

Kancheepuram District, Pin code 603 004

Phone No. 044 - 47490005

E-mail: plant4@tvssbl.com; plant5@tvssbl.com

SHARE DEPARTMENT

At Factory Office

Padi, Chennai - 600 050

Phone No. 044 - 26257853

E-Mail : pmd@tvssbl.com

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services
Private Limited

II Floor, "Kences Towers",

No.1, Ramakrishna Street, North Usman Road,
T Nagar, Chennai - 600 017.

Phone : 91-44- 28140801 - 808

Fax : 91-44-28142479

E-mail : corpserv@integratedindia.in

WEBSITE

www.tvsbrakelinings.com

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HIGHLIGHTS OF TEN YEARS' PERFORMANCE

(Rs. in lakhs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1 Sales & Other income [#]	18,804	17,179	20,046	23,747	25,638	23,271	24,913	23,750	24,627	24,652
2 Export Sales	6,199	6,650	7,506	8,126	8,366	8,742	11,113	11,031	11,213	10,390
3 Profit before int, depn and Tax	2,719	1,843	2,336	2,431	2,264	669	776	164	875	937
4 Profit before extraordinary / exceptional item & tax	1,862	1,025	1,523	1,528	1,116	(411)	(328)	(893)	31	143
5 Profit after tax	708	451	617	630	56	(441)	(522)	(1,455)	(41)	176
6 Net fixed assets	7,462	7,113	7,181	8,522	8,803	8,608	8,715	8,074	7,440	7,101
7 Share capital	271.35	271.35	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46
8 Reserves & Surplus	6,737	7,061	8,862	9,309	9,228	8,787	8,266	6,592	6,551	6,703
9 Net worth	7,008	7,332	9,255	9,702	9,622	9,181	8,659	6,986	6,944	7,097
10 Return on Net Worth (RONW) - PAT/Networth (%)	10.1	6.2	6.7	6.5	0.6	-4.8	-6.0	-20.8	-0.6	2.5
11 Return on Avg. Capital Employed (ROCE) (%)	18.0	11.2	14.3	14.0	12.5	-0.9	2.6	-5.2	3.6	4.6
12 Cash earnings per share (Rs.)	47.33	38.08	32.36 [@]	32.09	20.81	8.62	7.35	(19.47)	13.05	18.23
13 Earnings per share (Rs.)	26.08	16.63	16.49 [@]	16.01	1.44	(11.20)	(13.26)	(36.97)	(1.04)	4.47
14 Dividend per share (Rs.)	6.00	4.00	4.00	4.00	3.00	—	—	—	—	—
15 Book value per share (Rs.)*	258.27	270.22	235.23 [@]	246.59	244.54	233.34	220.08	177.55	176.50	180.37
16 Sundry Debtors - No. of days	81	71	72	71	67	73	78	76	78	64
17 Turnover/Avg Inventory (Times)	17.6	16.0	18.7	19.3	16.6	10.9	10.3	9.1	8.4	8.2
18 Current Ratio	1.47	1.66	1.73	1.72	1.49	1.47	1.32	1.06	1.05	1.09
19 R & D Expenses - as % on Net Income	2.0	1.5	2.0	1.3	1.4	2.7	3.2	2.7	2.6	3.4
20 Debt-Equity Ratio (=Total debts / Debt+ Network)	0.48	0.31	0.32	0.38	0.30	0.31	0.33	0.41	0.39	0.32

[#] Includes Excise duty for the FY's 2015-16 & 2016-17

[@] Calculated based on Weighted average number of Equity Shares & considering the adjustment factor for the bonus element in Rights Issue for FY 2009-10

* Calculated on the expanded capital of 39,34,575 equity shares for FY's 2010-11 to 2016-17

Note: Figures in respect of FY's 2007-08 to 2014-15 are as per Indian GAAP and that of FY's 2015-16 & 2016-17 are as per Indian Accounting Standards (Ind AS).

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Forty Third Annual General Meeting of the Company will be held at **Rani Seethai Hall, No. 603, Anna Salai, Chennai - 600 006 on Friday, 4th August, 2017, at 4.45 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"**RESOLVED THAT** the Audited Balance Sheet as at 31st March 2017, the Statement of Profit and Loss for the year ended 31st March 2017, the Cash Flow statement for the year ended 31st March 2017 and the Report of the Directors and the Auditors of the Company, be and are hereby approved and adopted."
2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"**RESOLVED THAT** Mr K Mahesh, Director (having DIN: 00051438), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Brahmayya & Co., Chartered Accountants, Chennai having registration No. 000511S be and are hereby appointed as Statutory Auditors of the Company, (in place of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai whose transitional term of appointment ends at the conclusion of 43rd AGM) to hold office from the conclusion of 43rd Annual General Meeting for a term of consecutive five years till the conclusion of the 48th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting) on such remuneration as may be determined by the Board of Directors of the Company in addition to Tax Audit fees, certification fee, service tax, travelling and other out of pocket expenses actually incurred by them in connection with the audit."

(By order of the Board)

Chennai
29th May, 2017

S RAMABADRAN
Chief Financial Officer & Company Secretary

Registered Office
180, Anna Salai,
Chennai - 600006

Details of Director Seeking Re-appointment at the Annual General Meeting

In terms of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a brief resume of the Director who is proposed to be re-appointed in this meeting, nature of his expertise in specific functional areas, disclosure of relationships between Directors inter-se, his other Directorship and the Committee membership, his shareholdings are given below:

Mr. K Mahesh

Mr. K Mahesh born on 11th October 1943, holds a degree of Bachelor of Technology in Metallurgy of Indian Institute of Technology, Madras (1965 batch). He was appointed in M/s. T V Sundram Iyengar & Sons Private Ltd, Madurai on 01.12.1965 and has been in continuous employment with them rendering technical and administrative services to the Company. After undergoing initial training in India for two years and further training in Foundry Technology and Management in UK, he has been in-charge of different important assignments

given by the company. He has been holding the position of Wholetime Director in T V Sundram Iyengar & Sons Private Ltd.

Mr. K Mahesh who held the position of Chairman and Managing Director of the Company, relinquished his position as Managing Director on 26th May 2014. He continues to hold the position as a Director and Non Executive Chairman of the Company.

Mr. K Mahesh has managerial experience of over 50 years.

Mr. K Mahesh holds 4,50,251 equity shares in the Company as on date and is related to Mr. K Ramesh, Director as his brother and is related to Mr. Krishna Mahesh as his father.

Directorship / Membership in other Companies

Directorship	Committee Membership
As Wholetime Director <ul style="list-style-type: none">• T V Sundram Iyengar & Sons Private Limited As Director <ul style="list-style-type: none">• Southern Roadways Limited• Sundaram Textiles Limited• Sundaram-Clayton Limited• TVS Global Trade Private Limited	Nil

I. General Instructions & Information:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member of the company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power of attorney or other authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.
2. The register of members and the share transfer register will remain closed for a period of seven days from **29th July 2017 to 4th August 2017** (both days inclusive) for the purpose of AGM.
3. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members holding shares in electronic form are requested to advise change of their address to their Depository Participants. Members are also advised not to leave their demat account(s) dormant for a long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

6. As per the provisions of Section 124 of the Companies Act 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had accordingly transferred Rs.1,88,588/- on 5th August 2016 and Rs.1,88,512/- on 31st March 2017 being unpaid and unclaimed dividend amount pertaining to Interim Dividend for the Financial year 2008-09 & 2009-10 respectively to the Investor Education and Protection Fund.

As per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on 5th September 2016, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years from 2008 as on the date of 42nd Annual General Meeting held on 1st August 2016 on website of the IEPF viz **www.iepf.gov.in** and under "Investors Section" on the website of the Company viz **www.tvsbrakelinings.com**.

7. Electronic copy of the Annual Report 2017 and Notice of 43rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company / Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
8. Members are requested to affix their signatures at the space provided on the Attendance slip annexed to Proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the AGM.
9. Members may also note that the Notice of the 43rd Annual General Meeting and the Annual Report for 2017 will also be available on the Company's **website www.tvsbrakelinings.com** for download. The physical copies of such documents will also be available at the Company's office in Padi, Chennai 600 050 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. Members may send their requests to **pmd@tvssbl.com**.
10. The business set out in the Notice of AGM will be transacted through electronic voting system. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-Voting). In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has provided facility to exercise votes through electronic voting system to members holding shares as on 28th July 2017, being the "Cut-Off date" fixed for determining voting rights of members entitled to participate in the e-Voting process through the e-voting platform provided by NSDL.
11. The facility for voting through Ballot papers will also be available at the AGM and the members attending the AGM who have not cast vote by remote e-Voting shall be eligible and be able to vote at the AGM.
12. A member may participate in the General Meeting even after casting his /her vote through remote e-Voting but shall not be entitled to vote again.
13. Mr V Suresh, Practising Company Secretary holding certificate of practice (No.6032) issued by the Institute of Company Secretaries of India, has been appointed as the Scrutinizer to Scrutinize the voting process in a fair and transparent manner.
14. The Scrutinizer shall within a period not exceeding two working days from the conclusion of the E-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes in favour or against, if any forthwith to the Chairman of the Company.

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15. The voting results of the Annual General Meeting will be declared and communicated to the Stock Exchanges and would also be displayed on the Company's website at **www.tvsbakelinings.com**.
 16. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e 28th July 2017 will be considered for the purpose of availing Remote e-voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

II. Instructions for Remote E-voting :

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - a) Open email and open PDF file viz; "SBL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL:**https://www.evoting.nsdl.com**
 - c) Click on Shareholder - Login
 - d) Put user ID and password as initial password / PIN noted in step (a) above. Click Login.
 - e) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - g) Select "EVEN" of SUNDARAM BRAKE LININGS LIMITED.
 - h) Now you are ready for e-Voting as Cast Vote page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l) Institutional shareholders (i.e.other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vsscrutinizer@gmail.com or evoting@tvssbl.com with a copy marked to **evoting@nsdl.co.in**.
- B. In case a Member receives physical copy of the Annual Report [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :
 - (a) Initial password is provided on the Attendance Slip for the AGM: EVEN (E Voting Event Number) **USER ID PASSWORD/PIN**.
 - (b) Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

III. Other Information :

- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of **www.evoting.nsdl.com**.
 - If you are already registered with NSDL for e-Voting then you can use your existing user ID and password/ PIN for casting your vote.
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- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The Voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut off date 28th July 2017.
- **The e-Voting period commences on 1st August 2017 (9.00 am) and ends on 3rd August 2017 (5.00 pm).** During this period members of the Company holding shares either in physical form or in dematerialized form as on cut off date 28th July 2017 may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

IV. Route Map for the Venue of the AGM of Sundaram Brake Linings Limited to be held on 4th August 2017 is given below :

