

# FORTY SIXTH ANNUAL REPORT 2020



SUNDARAM BRAKE LININGS LIMITED

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**BOARD OF DIRECTORS**

T Kannan - Director  
P S Raman - Director  
Ashok V Chowgule - Director  
K S Ranganathan - Director  
K S D Sambasivam - Director  
Sandhya Subramanyam - Director  
Shobhana Ramachandran - Director  
Shripriya Mahesh Ramanan - Director  
Krishna Mahesh - Managing Director

**COMMITTEES OF THE BOARD****1. AUDIT COMMITTEE**

Ashok V Chowgule - Chairperson  
T Kannan  
P S Raman  
K S Ranganathan  
K S D Sambasivam  
Sandhya Subramanyam

**2. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Ashok V Chowgule - Chairperson  
T Kannan  
Krishna 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  
S Ramabadran - Chief Financial Officer &  
Company Secretary  
Chief Investor Relations  
Officer / Compliance Officer

**STATUTORY AUDITORS**

M/s. Brahmayya & Co.,  
Chartered Accountants  
48, Masilamani Road, Balaji Nagar,  
Royapettah, Chennai 600 014  
E-mail: mail@brahmayya.com  
Phone No: 044-28131128

**BANKERS**

State Bank of India  
Corporate Accounts Group (CAG) Branch,  
Chennai - 600 008.

**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: 044-42111701

**REGISTERED OFFICE**

Padi, Chennai - 600 050.

**FACTORIES**

1. Padi, Chennai - 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 : finance@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 Nos. : 044- 28140801 - 808  
E-mail : corpserv@integratedindia.in

**WEBSITE**

www.tvsbrakelinings.com

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## HIGHLIGHTS OF TEN YEARS' PERFORMANCE

(₹ in lakhs)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1 Sales & Other income #	23,747	25,638	23,271	24,913	23,750	24,627	24,681	25,381	28,887	<b>26,322</b>
2 Export Sales	8,126	8,366	8,742	11,113	11,031	11,213	10,390	10,023	12,176	<b>12,320</b>
3 Profit before int, depn and Tax	2,431	2,264	669	776	164	875	937	995	1,309	<b>995</b>
4 Profit before extraordinary / exceptional item & tax	1,528	1,116	(411)	(328)	(893)	31	143	376	649	<b>300</b>
5 Profit after tax	630	56	(441)	(522)	(1,455)	(41)	705	376	705	<b>252</b>
6 Net fixed assets	8,522	8,803	8,608	8,715	8,074	7,440	7,101	6,751	6,700	<b>6,812</b>
7 Share capital	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46	<b>393.46</b>
8 Reserves & Surplus	9,309	9,228	8,787	8,266	6,592	6,551	6,703	7,072	7,805	<b>8,003</b>
9 Net worth	9,702	9,622	9,181	8,659	6,986	6,944	7,097	7,466	8,198	<b>8,397</b>
10 Return on Net Worth (RONW) - PAT/Networth	6.5%	0.6%	-4.8%	-6.0%	-20.8%	-0.6%	2.5%	5.0%	8.6%	<b>3.6%</b>
11 Return on Avg. Capital Employed (ROCE)	14.0%	12.5%	-0.9%	2.6%	-5.2%	3.6%	4.6%	5.9%	8.1%	<b>4.3%</b>
12 Cash earnings per share (₹)	32.09	20.81	8.62	7.35	(19.47)	13.05	18.14	20.51	30.50	<b>7.63</b>
13 Earnings per share (₹)	16.01	1.44	(11.20)	(13.26)	(36.97)	(1.04)	4.47	9.57	17.93	<b>6.40</b>
14 Dividend per share (₹)	4.00	3.00	-	-	-	-	-	-	-	<b>-</b>
15 Book value per share (₹) *	246.59	244.54	233.34	220.08	177.55	176.50	180.37	189.74	208.37	<b>213.41</b>
16 Sundry Debtors - No. of days	71	67	73	78	76	78	64	70	72	<b>68</b>
17 Turnover/Avg Inventory (Times)	19.3	16.6	10.9	10.3	9.1	8.4	8.2	7.9	8.0	<b>6.8</b>
18 Current Ratio	1.72	1.49	1.47	1.32	1.06	1.05	1.22	1.34	1.33	<b>1.42</b>
19 R & D Expenses - as % on Net Income	1.3%	1.4%	2.7%	3.2%	2.7%	2.6%	3.4%	4.0%	3.4%	<b>4.6%</b>
20 Debt-Equity Ratio (=Total debts / Debt+ Networth)	0.38	0.30	0.31	0.33	0.41	0.39	0.32	0.29	0.29	<b>0.22</b>

# Includes Excise duty for the FY's from 2015-16 to Q1 of 2017-18.

\* Calculated on the expanded capital of 39,34,575 equity shares for FY's 2010-11 to 2019-20.

Note: Figures in respect of FY's 2007-08 to 2014-15 are as per Indian GAAP and that of FY's from 2015-16 to 2019-20 are as per Indian Accounting Standards (Ind-AS.).

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Forty Sixth Annual General Meeting of the Company will be held on **Monday, 10<sup>th</sup> August 2020 at 10.00 A.M IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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 31<sup>st</sup> March 2020, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020, the Cash Flow statement for the year ended 31<sup>st</sup> March 2020 and Notes forming part of the documents referred above 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 Krishna Mahesh, Director (having DIN: 00420048), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

### SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Ms. Shobhana Ramachandhran (DIN: 00273837) as Director to fill the causal vacancy, caused due to demise of Mr K Mahesh, Director before the expiry of his term of office be and is hereby approved  
**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Ms. Shripriya Mahesh Ramanan (DIN: 08632277) as Director to fill the causal vacancy, caused due to the resignation of Mr. K Ramesh, Director before the expiry of his term of office be and is hereby approved.

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**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

(By order of the Board)

Chennai  
27<sup>th</sup> June, 2020

S RAMABADRAN  
Chief Financial Officer & Company Secretary

Registered Office  
Padi, Chennai - 600 050.

**I. General Instructions & Information:**

1. Explanatory Statement for item no. 3 to 4 is annexed hereto
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM is annexed
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to **vsureshpcs@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website **www.tvstrakelinings.com**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of

NSDL <https://www.evoting.nsdl.com>. The shareholders who have not registered their email address with depository are requested to follow the instruction given under the heading "Instruction for remote e-Voting"

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The register of members and the share transfer register will remain closed for a period of seven days from **04<sup>th</sup> August 2020 to 10<sup>th</sup> August 2020** (both days inclusive) for the purpose of AGM.
9. 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.
10. 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.
11. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form
13. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Integrated Registry Management Services Private Limited) of the Company: -
  - a) any change in their address / bank mandate.
  - b) particulars of their bank account, in case they have not been sent earlier.
  - c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier.
  - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
14. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years to the IEPF account established by the Central Government. There are no shares in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years.

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Any person whose shares have been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website **www.iepf.gov.in** and after making an application in form IEPF-5, send the same duly signed by him along with requisite documents to the Company for verification of his claim.

15. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. Members holding shares either in physical form or in dematerialized form, as on **August 03, 2020** i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
16. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
17. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off date **August 03, 2020**.
18. 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.
19. The Scrutiniser shall, immediately after the conclusion of voting at annual general meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 48 hours (forty-eight) of conclusion of the meeting submit his report of the total votes cast in favour or against, if any, to the Chairman / Managing Director / Joint Managing Director / Chief Financial Officer / Vice President - Finance & Company Secretary of the Company.
20. 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.tvstrakelinings.com**.
21. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e **August 03, 2020** 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.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

The Company presently has Six Independent Directors and Three Non-Independent Directors, Ms. Shobana Ramachandhran, Ms. Shripriya Mahesh Ramanan & Mr. Krishna Mahesh. In order to comply with the Provisions of Section 152 of the Companies Act, 2013, Mr. Krishna Mahesh, Director retires at this Annual General Meeting and being eligible for Re-appointment, offers himself for Re-appointment subject to approval of Shareholders.

## SUNDARAM BRAKE LININGS LIMITED

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Further 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 membership, his shareholdings are given below:

### Mr. Krishna Mahesh

Mr. Krishna Mahesh born on 20<sup>th</sup> October 1974 and is on the Board of Directors of the Company since 2005. He holds Master of Science in Mechanical Engineering from Stanford University, Stanford CA in and Master's degree in Business Administration - MBA from Harvard Business School.

He holds 5,44,608 Equity shares in the Company and he is brother of Ms. Shripriya Mahesh Ramanan, and cousin of Ms. Shobhana Ramachandhran, Director.

Nature of his expertise in specific functional areas - General Management / Sales / Marketing / Strategic Decision making and Leadership.

Directorship / Membership in other Companies

Directorship	Committee Membership
<b>As Director</b> <ul style="list-style-type: none"><li>• Madurai Alagar Enterprises Private Limited</li><li>• T V Sundram Iyengar &amp; Sons Private Limited</li><li>• Sundaram Industries Private Limited</li><li>• Sundaram Medical Devices Private Limited</li><li>• Sundaram Lifecare Private Limited</li><li>• Sundaram Health Protection Private Limited</li><li>• Sundaram Aarogyam &amp; Vitality Endowment Foundation</li><li>• TVS Advanced Materials Private Limited</li></ul>	Nil

### Explanatory Statement for item no. 3 to 4

#### Item No. 3

Based on recommendation by the Nomination and Remuneration Committee, the Board of Director at its meeting held on 13<sup>th</sup> August 2019 filled the casual vacancy caused due to demise of past chairman Mr. K Mahesh by appointing Ms. Shobhana Ramachandhran (DIN: 00273837) as Director of the Company.

As per Section 161(4) of the Companies Act 2013 if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.

A notice under Section 160 of the Companies Act 2013 has been received from a member for appointing Ms. Shobhana Ramachandhran as Director of the Company.

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In view of the aforesaid provisions under the Companies Act 2013, the appointment of Ms. Shobhana Ramachandhran as Director is placed for the approval of the shareholders.

Except for Ms. Shobhana Ramachandhran, Mr. Krishna Mahesh and Ms. Shripriya Mahesh none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution no. 3.

#### **Item No. 4**

Based on recommendation by the Nomination and Remuneration Committee, The Board of Director at its meeting held on 12<sup>th</sup> February 2020 filled the casual vacancy caused due to resignation of Mr. K Ramesh by appointing Ms. Shripriya Mahesh Ramanan (DIN: 08632277) as Director of the Company.

As per Section 161(4) of the Companies Act 2013 if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the Company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.

A notice under Section 160 of the Companies Act 2013 has been received from a member for appointing Ms. Shripriya Mahesh Ramanan as Director of the Company.

In view of the aforesaid provisions under the Companies Act 2013, the appointment of Ms. Shripriya Mahesh Ramanan as Director is placed for the approval of the shareholders.

Except for Ms. Shripriya Mahesh Ramanan, Mr. Krishna Mahesh and Ms. Shobhana Ramachandhran none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution no. 4.

#### **PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED TO BE FURNISHED UNDER CLAUSE 1.2.5 OF THE (SS - 2) SECRETARIAL STANDARD ON GENERAL MEETINGS / REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

##### **Resolution No.3**

Name	Ms. Shobhana Ramachandhran
Age	60 years
DIN	02753843
Qualification	Post Graduate in English Literature
Experience and other details	She is associated with TVS Srichakra Limited since 1986 and is the Managing Director of the same.  She has rich experience in the Tyre and Rubber Industry and holds Directorship in public and private companies, encompassing various sectors of automotive, financial, logistics and auto component distributorship.