

FORTY FIRST ANNUAL REPORT 2015



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

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

R Ramasubramanian - President
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
UTI House, 29, Rajaji Salai, Chennai - 600 001

STATUTORY AUDITORS

Sundaram & Srinivasan
Chartered Accountants
New No. 4, old No. 23,
C.P. Ramasamy Road,
Alwarpet, Chennai - 600 018.
E-mail ID : 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.

REGISTERED OFFICE

180 Anna Salai, Chennai 600 006.

FACTORIES

Padi, Chennai 600 050
Phone Nos. 42205300, 42205407
Fax No. 044 - 42205572
E-Mail : sbl@tvssbl.com
TSK Puram - Plant I & II
Mustakurichi Post, Kamarajar District
Pin code 626 106
Phone Nos. 04566 - 250290 to 250295
Plant 4 & 5 - Mahindra World City (SEZ)
Natham Sub-Post, Chengalpet
Kancheepuram District, Pin code 603 004
Phone No. 044 - 47490005

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Enterprises (India) 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 : kalyan@integratedindia.in

SHARE DEPARTMENT

At Factory Office
PADI, CHENNAI - 600 050
Phone No. 42205300, 42205407
E-Mail : finance@tvssbl.com

WEBSITE

www.tvssbrakelinings.com

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HIGHLIGHTS OF TEN YEAR PERFORMANCE

Rs in lacs

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1 Sales & Other income	14,560	18,963	18,804	17,179	20,046	23,747	25,638	23,271	24,913	23,750
2 Export Sales	5,482	5,490	6,199	6,650	7,506	8,126	8,366	8,742	11,113	11,031
3 Profit before int, depn and Tax	2,260	2,899	2,719	1,843	2,336	2,431	2,264	669	776	164
4 Profit before extraordinary / exceptional item & tax	1,634	2,166	1,862	1,025	1,523	1,528	1,116	(411)	(328)	(893)
5 Profit after tax	1,039	1,377	708	451	617	630	56	(441)	(522)	(1,455)
6 Net fixed assets	6,156	7,441	7,462	7,113	7,181	8,522	8,803	8,608	8,715	8,074
7 Share capital	271.35	271.35	271.35	271.35	393.46	393.46	393.46	393.46	393.46	393.46
8 Reserves & Surplus	5,247	6,220	6,737	7,061	8,862	9,309	9,228	8,787	8,266	6,592
9 Net worth	5,518	6,491	7,008	7,332	9,255	9,702	9,622	9,181	8,659	6,986
10 Return on Net Worth (RONW) - PAT/Networth	18.8%	21.2%	10.1%	6.2%	6.7%	6.5%	0.6%	-4.8%	-6.0%	-20.8%
11 Return on Avg. Capital Employed (ROCE)	19.2%	21.8%	11.5%	5.3%	8.1%	8.6%	1.9%	-0.6%	1.7%	-3.0%
12 Cash earnings per share (Rs)	53.83	68.24	47.33	38.08	32.36 @	32.09	20.81	8.62	7.35	(19.47)
13 Earnings per share (Rs.)	38.30	50.76	26.08	16.63	16.49 @	16.01	1.44	(11.20)	(13.26)	(36.97)
14 Dividend per share (Rs)	10.00	13.00	6.00	4.00	4.00	4.00	3.00	-	-	-
15 Book value per share (Rs)	203.37	239.21	258.27	270.22	235.23 @	246.59	244.54	233.34	220.08	177.55
16 Sundry Debtors - No. of days	88	85	81	71	72	71	67	73	78	76
17 Turnover/Avg Inventory (Times)	19.1	20.7	17.6	16.0	18.7	19.3	16.6	10.9	10.3	9.1
18 Current Ratio	1.59	1.45	1.47	1.66	1.73	1.72	1.49	1.47	1.32	1.06
19 R & D Expenses - as % on Net Income	2.2%	1.8%	2.0%	1.5%	2.0%	1.3%	1.4%	2.7%	3.2%	2.7%
20 Debt-Equity Ratio (=Total debts / Networth)	0.58	0.68	0.48	0.31	0.32	0.38	0.30	0.31	0.33	0.41

@ 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 2010-11 to 2014-15

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Forty First Annual General Meeting of the Company will be held at **Rani Seethai Hall, No. 603, Anna Salai, Chennai - 600 006 on Thursday, the 6th August, 2015, at 9.00 A.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 2015, the Statement of Profit & Loss for the year ended 31st March 2015, Cash Flow Statement for the year ended 31st March 2015 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** the appointment of Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai having registration number 004207S, appointed in the Annual General Meeting held on 01-08-2014 for a transitional period of three years, as per the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, be and is hereby ratified for continuing as Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, on remuneration of Rs. 7,50,000/- in addition to service tax, travelling and other out-of-pocket expenses actually incurred by them in connection with audit."

SPECIAL BUSINESS:

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 provision of Section 161 of the Companies Act, 2013, Ms. Sandhya Subramanyam, having DIN: 02753843, appointed as an Additional Director by the Board of Directors in their meeting held on 29th September, 2014 and who holds office up to the date of this annual general meeting, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of Rs. 1 lakh signifying his intention to propose the appointment of Ms. Sandhya Subramanyam, as an Independent Director, pursuant to Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting."
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
"**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement as in force from time to time and subject to such approvals, consents, sanctions and permissions of any authority as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors for the Related Party Transactions entered by the Company in the Financial Year (FY) 2014-15,

viz., purchase of raw materials, with M/s. Alagar Resins Private Limited which were in the ordinary course of business and at an arm's length basis as detailed below:

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Value	Period
1.	M/s. Alagar Resins Private Limited	Enterprise in which relatives of Key Managerial Personnel has significant interest	Purchase of Raw Materials	INR 2,777.39 lacs (constituting 11.7% on the annual turnover of FY 2014-15)	2014-15

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary to give effect to this transaction.

(By order of the Board)

Madurai
22nd May, 2015

S RAMABADRAN
Chief Financial Officer & Company Secretary

Annexure: Explanatory Note

IMPORTANT NOTES:

- The Register of Members and the Share Transfer books of the Company will remain closed from 31st July, 2015 to 6th August, 2015 (both days inclusive) for annual closing and for the purpose of Annual General Meeting.
- The cut-off date for sending Notice of AGM / Ballot Paper to Shareholders is 26th June, 2015.
- The Cut-off date for determining voting rights for e-voting on the resolutions that will be listed for Annual General Meeting is 30th July, 2015.
- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- Under 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 the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had accordingly, transferred Rs. 1,34,070/- being the unpaid and unclaimed dividend amount pertaining to 3rd Interim Dividend for Financial Year 2006-07 on 13th July, 2014 to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders to ascertain the status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In

terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 40th Annual General Meeting (AGM) held on 1st August, 2014, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.tvstrakelinings.com.

7. 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 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.
8. 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.
9. Electronic copy of the Annual Report for 2015 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 Annual Report for 2015 are being sent in the permitted mode.
10. Electronic copy of the Notice of the 41st 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 Notice of the 41st Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
11. Members may also note that the Notice of the 41st Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.tvstrakelinings.com for their download. The physical copies of the aforesaid documents will also be available at the Company's office in Padi, Chennai-600050 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. For any communication, the shareholders may also send requests to the Company's investor email id: investor@tvssbl.com.

12. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means for all the resolutions listed in the 41st Annual General Meeting (AGM) notice through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) 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.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login

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- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) 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.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of SUNDARAM BRAKE LININGS LIMITED.
 - (viii) Now you are ready for e-Voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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 vsscruinizer@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 Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM :
EVEN (E Voting Event Number) USER ID PASSWORD / PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. 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.
- IV. 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).
- V. The e-Voting period commences on 3rd August, 2015 (9:00 am) and ends on 5th August, 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July, 2015, 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.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th July, 2015.

13. Voting through Ballot

The Company will arrange to send ballot forms to the Shareholders based on the cut-off date of 26th June, 2015 to give them an option to exercise their votes through ballot.

The instructions for the ballot process is as follows:

1. The Board of Directors have appointed Mr V Suresh, Practising Company Secretary, Chennai as the Scrutinizer for conducting the voting process in a fair and transparent manner.
2. A member desiring to exercise vote by ballot is required to carefully read the instructions printed in the Ballot Form and return the Form duly completed in the attached Self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours @ 5.30 PM on 1st August, 2015.

3. The period of voting through the ballot process available for shareholders is 30 days from 2nd July, 2015 to 1st August, 2015.
14. It may also be noted that the facility for voting through ballot or polling paper shall also be available at the meeting and members who have not cast their vote by remote e-Voting or sending ballot by Post, shall be able to exercise their right to vote at the meeting.
15. It may be noted that the members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
16. Mr V Suresh, Practising Company Secretary holding certificate of practice number 6032 issued by Institute of Company Secretaries of India, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
17. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
18. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tvbrakelinings.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE & BSE.
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
20. In terms of Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of the Directors, who are proposed to be re-appointed / appointed in this meeting, nature of their expertise in specific functional areas, their other Directorships and committee memberships, their shareholdings and relationships with other Directors of the Company, are given below:

Mr K MAHESH

Mr K Mahesh holding DIN: 0051438 is a Bachelor of Technology in Metallurgy of the Indian Institute of Technology, Madras (1965 batch). He was appointed in M/s. T V Sundram Iyengar & Sons Private Ltd, Madurai, on 1.12.1965 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 was holding the position of Chairman and Managing Director of the Company, relinquished his position as Managing Director on 26.05.2014. He continues to hold the position as a Director and Non-Executive Chairman of the Company.

He has managerial experience of over 50 years.

Mr K Mahesh holds 3,95,842 equity shares in the Company and is related to Mr K Ramesh, Director as his brother and is related to Mr Krishna Mahesh as his father.

The other Directorship / Membership of Mr K Mahesh are as follows:

Directorship	Committee Membership
As Wholetime Director: T V Sundram Iyengar & Sons Private Limited As Director: Southern Roadways Limited Sundaram Textiles Limited Sundaram-Clayton Limited TVS Global India Private Limited	

Ms SANDHYA SUBRAMANYAM

Ms Sandhya Subramanyam, holding DIN: 02753843, born on 21st August, 1976, was inducted to the Board of Directors of the Company as an Additional Director in the Meeting of the Board of Directors held on 29th September, 2014.

She graduated with a Master's Degree in Business and Information Technology from Boston University and holds an undergraduate degree in Manufacturing Engineering from College of Engineering, Anna University. A keen sportswoman, she was in the Top 4 swimmers in the country and has represented the State, University etc. for several years.

She is a Director of Ehrlich Laboratory Private Limited, a leading diagnostic center in Chennai. Founded in 1938, Ehrlich is the oldest private laboratory in the country today, offering advanced path lab testing in addition to associated diagnostics in cardiology, radiology/sonology etc. She currently oversees new projects, including the latest Home Health services offering and partially oversees operations and growth and has been responsible for bringing in significant expansion of services and clientele.

Prior to Ehrlich, she has had over 12 years of healthcare management consulting experience with Accenture in USA, China and India. Her primary focus was strategic growth, operational efficiency and new business development.

She holds Directorship in the following three Companies:

1. Ehrlich Laboratories Private Limited
2. Ehrlich Edge Healthcare Solutions Private Limited
3. Ehrlich Assisted Living Private Limited

She does not hold any equity shares in the Company and is not related to any of the Directors or KMP of the Company.

ANNEXURE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE DATED 22.05.2015 IN RESPECT OF SPECIAL BUSINESS.

The following explanatory statement sets out the all the material facts relating to the special business mentioned in the notice dated 22.05.2015 and shall be taken as forming part of the notice.

Item No. 4

Ms Sandhya Subramanyam was inducted to the Board of Directors of the Company as an Additional Director in the Meeting of the Board of Directors held on 29th September, 2014.

Her brief profile, nature of her expertise in specific functional areas, her other Directorships and Committee memberships, her Shareholding and relationship with other Directors of the Company have been furnished in Sl. No. 20 under the heading "Important Notes".

She has given necessary declaration that she satisfies the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

In terms of Section 149 (10) of the Companies Act 2013, it is proposed to appoint her as an Independent Director for a consecutive period of 5 years. A notice from a member under Section 160 of the Companies Act 2013, signifying his intention to appoint her as an Independent Director along with the requisite deposit of Rs. 1 lakh has been received by the Company.

She does not hold any equity shares in the Company.

The Directors recommend the resolution to be adopted as an ordinary resolution by the shareholders.

None of the Directors, Key Managerial Personnel or their relatives except Ms. Sandhya Subramanyam, is deemed to be concerned or interested in the resolution.

Item No. 5

To meet the requirements of operations, the Company has been buying various grades of resins from M/s. Alagar Resins Private Limited, which is a Related Party.

M/s. Alagar Resins Private Limited (ARPL) had developed special grades of resins, which are used in manufacturing of products for various segments including Export and the Company has been procuring the same from ARPL since April 2003. The special grades of resins being supplied by ARPL are not available in the market.

The Company purchased various grades of resins from M/s. Alagar Resins Private Limited for a value of Rs. 2,777.39 lacs (11.7% on the Turnover) during the Financial Year (FY) 2014-15.

In line with the provisions of Clause 49 of the Listing Agreement, all related party transactions entered by the Company in excess of 10% of the annual turnover of the Company are required to be approved by the shareholders of the Company by means of a Special Resolution, in which the related parties shall abstain from voting.

As the value of Transactions entered with M/s. Alagar Resins Private Limited has exceeded 10% on the Annual Turnover for the FY 2014-15, the same requires approval by Shareholders by special resolution, as provided in Clause 49 of the Listing Agreement, and the relevant portion is reproduced hereunder.

"All existing material related party contracts or arrangements as on the date of this circular (17th April 2014) which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to October 1, 2014."

"Provided that, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

All the transactions entered with M/s. Alagar Resins Private Limited were in the ordinary course of business and at an arm's length basis.

The particulars of transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

a)	Name of the related party	M/s. Alagar Resins Private Limited
b)	Name of the Director or Key Managerial Personnel who is related	Mr Krishna Mahesh, Managing Director
c)	Nature of relationship	Enterprise in which the relatives of Key Managerial Personnel has significant interest
d)	Price	At an arm's length basis
e)	Nature, material terms, monetary value and particulars of arrangement	Purchase of various grades of resins for a value of Rs. 2,777.39 lacs (11.7% on the Turnover) during the FY 2014-15 in the ordinary course of business to meet the requirements of operations
f)	Any other information relevant or important for the members to make a decision on the proposed transaction	M/s. Alagar Resins Private Limited (ARPL) has developed special grades of resins, which are used in manufacturing of products for various segments including Export and the Company has been procuring the same from ARPL since April 2003. The special grades of resins being supplied by ARPL are not available in the market.

Pursuant to rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, the nature of transactions with the related parties is provided in the said resolution. The Audit Committee has approved the aforesaid transactions and recommended to the Board. The Board has approved the same and recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

M/s. T V Sundram Iyengar & Sons Private Limited, M/s. Southern Roadways Limited and M/s. Sundaram Industries Private Limited, M/s. Alagar Farms Private Limited, M/s. Rajarajeswari Farms Private Limited, Mr K Mahesh, Chairman, Mr Krishna Mahesh, Managing Director and Mr K Ramesh, Director and their relatives, being related Parties, shall abstain from voting on the above resolution.

(By order of the Board)

Madurai
22nd May, 2015

S RAMABADRAN
Chief Financial Officer & Company Secretary

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Forty First Annual Report of the Company together with the audited accounts for the year ended 31st March 2015.

FINANCIAL RESULTS

	Year ended 31.03.2015	Year ended 31.03.2014
		(Rs. in lacs)
Revenue from Operations	<u>23,650.77</u>	<u>24,661.64</u>
Profit before interest, depreciation and tax	163.85	775.97
Less: Interest	368.04	292.66
Profit before depreciation and tax	(204.19)	483.31
Less: Depreciation	688.77	810.92
Profit before tax & exceptional items	(892.96)	(327.61)
Add: Exceptional item - Write-back of excess depreciation charged in earlier years reversed	-	339.71
Profit before tax	(892.96)	12.10
Less: Provision for taxation		
- Current Tax	(0.09)	(0.05)
- Prior Period Tax	(644.44)	(409.29)
- Deferred Tax (Liability) / Asset (net)	82.75	(124.40)
Profit after tax	(1,454.74)	(521.64)
Add: Surplus / (Deficit) brought forward	2.09	123.73
Transfer from General Reserve - II	1,475.00	400.00
Surplus carried over	<u>22.35</u>	<u>2.09</u>

In view of the operating loss incurred by the Company for the financial year 2014-15, Your Directors are constrained to skip Dividend for the year. Your Directors assure you that various steps are being taken for improving the performance of the Company.

OPERATIONS

As could be seen from the attached accounts, the net sales for the year were at Rs.236.51 crores as against Rs. 246.62 crores in the previous year.

Main Challenges faced in the year under review:

1. Continued sluggish demand in Domestic OE Market in Heavy, Medium Duty & Light Duty Commercial Vehicles coupled with reduction in Share of business on account of competition.
2. Continuation of power cuts and peak hours restriction for power usage resulting in meeting power from other sources at a higher cost.
3. Additional burden due to hike in wages for workmen due to increase in Minimum wages and Long Term settlement with workmen in SEZ Units .

EXPORTS

Your company continued its thrust in the export market segment.

Your company continued its focus for meeting the expectations of overseas customers in terms of timely delivery & quality.

Net Foreign Exchange earned by Your Company in the year under review was Rs.77.68 crores as against Rs.82.10 crores in 2013-14.

Your Company continues to enjoy the status of Star Export House in accordance with the provisions of the Foreign Trade Policy 2009-2014, with a Certificate of Recognition issued by the Office of the Zonal Joint Director General of Foreign Trade, Chennai, which is valid upto 31st March, 2018.

Your Company continues to take steps for adding new customers in export market which will help to mitigate the risk factors by eliminating reliance on a few customers.

RESEARCH & DEVELOPMENT

Your Company's R&D Facility located in Padi has been enjoying recognition as an approved R&D unit by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi and the Company has received letter dated 14th May, 2015 from the DSIR, Ministry of Science & Technology, Government of India, New Delhi according renewal of recognition valid upto 31st March 2018 .

Your Company continues to give thrust for development of new products, viz., Commercial Vehicle Linings/ Passenger Vehicle Linings & Pads & Clutch Facings both for new and existing customers .

Your company continues its efforts for implementing various initiatives for reduction in energy costs which constitute a significant portion next to Raw Material costs.

The total expenditure for R&D incurred in 2014-15 was Rs.6.31 crores as against Rs.7.89 crores in the previous year.

DELISTING OF COMPANY'S SHARES FROM MSE

Pursuant to Regulations 6 & 7 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations), the Board of Directors in their Meeting held on 3rd February, 2015, approved, inter alia, a proposal for voluntary delisting of the Company's Equity Shares from the MSE.

Based on the application along with the relevant documents filed by the Company to Madras Stock Exchange Limited (MSE) for delisting of the Company's Equity Shares, MSE vide its letter dated 5th May, 2015, communicated to the Company their decision to withdraw the admission granted to the dealings on the Exchange for the Equity Shares of the Company in terms of SEBI (Delisting of Equity Shares) Regulations, 2009 and subsequent amended Regulations of 2015, for voluntary delisting and to remove the name of the Company from the Listed Securities of the MSE, with effect from 6th May, 2015.

OUTLOOK FOR 2015-16

Outlook for the forthcoming year continues to be challenging. However, Your Company has taken various initiatives for improving sales in Domestic After Market which should start yielding results in the next 6 to 9 months.

Continuing increase in Employees' costs particularly workmen is a cause for concern and efforts for manpower reduction are being taken to reduce the burden.

PUBLIC DEPOSITS

Your Company does not hold any deposit from the Public.

BOARD MEETINGS

The Board of Directors of the Company met six times during this financial year.

Audit Committee and Stakeholders' Relationship Committee of the Board of Directors met four times during the year.

Nomination & Remuneration Committee of the Board of Directors met once during the year.

The Independent Directors had their meeting 2 times during the year.

DIRECTORS

Mr K Mahesh, Director of the Company who retires by rotation and being eligible for reappointment offers himself for reappointment as Director of the Company subject to the approval by the Shareholders of the Company by an Ordinary Resolution.

WOMAN DIRECTOR

In terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company is required to have a woman director on the Board.

Ms Sandhya Subramanyam was appointed as an Additional Director in the Board Meeting held on 29th September 2014 to hold office till the conclusion of the forthcoming Annual General Meeting of the Company. The Board in its Meeting held on 22nd May, 2015 has recommended her appointment as an Independent Director for a period of consecutive term of 5 years from the date of the forthcoming AGM for approval by the Shareholders of the Company by an Ordinary Resolution at the forthcoming AGM.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) (as per Format in Annexure I).

COMPOSITION OF AUDIT COMMITTEE

Audit Committee consists of Mr T Kannan as Chairperson, Mr P S Raman, Mr Ashok V Chowgule, Mr K S Ranganathan and Mr K S D Sambasivam as Members of the Audit Committee.

Audit Committee of the Company met four times during this Financial Year.

NOMINATION & REMUNERATION COMMITTEE

Nomination & Remuneration Committee consists of Mr K S Ranganathan as Chairperson, Mr Ashok V Chowgule and Mr K S D Samabasivam as members.

The Nomination & Remuneration Committee has discharged its functions as per the requirements specified under Section 178 of the Companies Act & amended Clause 49 of the Listing Agreement.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee consists of Mr K S D Sambasivam as Chairperson, Mr K S Ranganathan and Mr Krishna Mahesh as members.

Stakeholders' Relationship Committee of the Company met four times during this Financial Year.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Whistle Blower Policy of the Company to report details of establishment of vigil mechanism, to deal with instance of fraud and mismanagement (for directors and employees to report genuine concerns) pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement was approved by the Board of Directors in their Meeting held on 29th September 2014. In accordance with the above Policy, quarterly reports with the number of complaints received and their outcomes shall be placed before the Audit Committee and the Board. No complaint has been received as on the date of this report. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted in the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134(5) of the Companies Act, 2013, your Directors confirm:

- (a) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- (b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) that they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV & INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

There is no Subsidiary or Associate Company or JV and hence these are not applicable.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is given in ANNEXURE II .

STATUTORY AUDITORS

The Auditors, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, who were appointed for a transitional period of 3 years in the AGM held on 01.08.2014 and being eligible, offer themselves for continuation for the transitional period of two consecutive years from the conclusion of this Annual General Meeting [AGM] subject to ratification by members at every AGM.

COST AUDIT

Cost Audit is not applicable to the Company for and from the Financial Year (FY) 2014-15 based on the amended Companies (Cost Audit & Record) Rules, 2014 dated 31st December 2014 issued by the Ministry of Corporate Affairs, Govt. of India.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr V Suresh, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year (FY) 2014-15 is annexed to this Report as an Annexure III.

QUALIFICATIONS IN AUDIT REPORTS

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

- (a) by the statutory auditor in his report; and
- (b) by the company secretary in practice in his secretarial audit report.

There are no qualifications in Statutory Auditors' Report and in Secretarial Auditor's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken during 2014-15:
 - i) Steps taken for reduction of energy consumption for various operations by reducing the running time of motors in specific areas of operation.
 - ii) Appropriate reduction of motor horse power was done after required study, which has helped in reducing the energy consumption and power cost.
- b) Additional investments and proposals, if any, implemented for reduction of consumption of energy:
 - i) Based on the Energy Audit conducted in the earlier Financial Year (FY) 2013-14, energy conservation measures identified were partly implemented during the FY 2014-15.
 - ii) Proportional control system for ovens was introduced during the year.
 - iii) Replacement of the Sodium Vapour Lamps (SVL) outside the factory with Compact Fluorescent Lamps (CFL), wherever required, was carried out during the year.
- c) Impact of the above measures:

The measures taken above have helped in reducing energy cost and would continue to help in reducing the energy cost in the months to come.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

(1) Specific areas in which R&D carried out by the Company

- 1. Developed and obtained OEM approval for Drum Brake Lining for Heavy Commercial Vehicle Manufacturers.
- 2. Established new Process technology for Heavy commercial vehicle Disc pad back plate for improving pad integrity.
- 3. Developed and obtained OEM approval for New grade Woven Asbestos Free clutch facings for commercial vehicle application.
- 4. Development of Indigenous raw material for replacing imported raw material using advanced technology.

(2) Benefits derived as a result of the above

- 1. Continued recognition of in-house R&D by Department of Scientific and Industrial Research, Government of India valid up to 31.03.2018.
- 2. Reduction in Raw material costs through up gradation in quality and yield improvement.

(3) Future plan of action

- 1. Development of Disc Pads and Linings for various new vehicle applications for Domestic OEM & Export Market.
- 2. Development of the Driver Experience of Friction CONditions (DEFCON) to close the gap between what the current generation of lab based friction testing equipment (Chase testers, brake dynamometers, NVH dynos) can accurately model, and the real world vehicle performance, in the need to accurately model the vehicle occupant's real world braking performance experience.

(4) Expenditure on R&D

	FY 2014-15	FY 2013-14
	Rs. lacs	Rs. lacs
a) Capital	14.63	176.91
b) Revenue	616.82	612.00
c) Total	631.45	788.92
d) Total R&D expenses as % of total turnover	2.7 %	3.2%

Technology absorption, adaptation and innovation

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

- Exposure to advanced methodology for problem solving in product and process development.
- Process cycle time standardisation using Thermal diffusivity data.
- Product and Process improvement by reverse engineering the existing competitor product.

2. Benefits derived as a result of the above efforts

- Development of products for export and domestic markets.
- Quality upgradation and optimal use of raw materials leading to substantial savings.
- The R & D efforts have resulted in development of better products, more new products and quality improvement of existing products for domestic and export markets.

C. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

1) Exports :

a) Activities relating to exports :

Your Company is in the process of developing OEM approvals and new generation friction materials are being developed to obtain these approvals. Additional product references are also being added to enhance the product range in order to cater the requirements of overseas customers.

b) Export Plans :

The Company will continue its efforts to add new customers and new export destinations during 2015-16.

2) Total Foreign Exchange earned and used :

	FY 2014-15	FY 2013-14
	Rs. lacs	Rs. lacs
a) Foreign Exchange earned	10,791.95	10,910.45
b) Foreign Exchange used	3,024.23	2,700.40
c) Net Foreign Exchange earned (a-b)	7,767.72	8,210.05

DETAILS RELATING TO DEPOSITS

Not applicable as the Company has not accepted any deposits.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Details about the significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future:

Not Applicable.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Details about the adequacy of Internal Financial Controls with reference to the Financial Statements.

The Board & the Audit Committee have been reviewing the Internal Financial Controls and strengthening the same. Further Audit Committee reviews periodically the Internal Audit Reports and suggestions and corrective actions are implemented.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan (secured or unsecured) and has not given any guarantee or provided any security to any person. The Company has made investment of Rs.1.50 lacs during the FY 2014-15. The Company has complied with the provisions of Companies Act, 2013 in respect of these Investments. For details of Investments, please refer Note No. 12 to Balance Sheet as at 31.03.2015.

RISK MANAGEMENT POLICY

The Board in its meeting held on 29th September, 2014 has adopted the Risk Management policy.

All the risks associated with the business of the Company have been taken care of by taking adequate measures by the Company, which have been reviewed by the Audit Committee and the Board in their Meetings held from time to time.

CORPORATE SOCIAL RESPONSIBILITY POLICY

CSR is not applicable to the Company as the average net profits of the Company for the preceding three years is NIL as the Company has incurred losses.

Pursuant to the provisions of Section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

REASON FOR NOT SPENDING

As the average net profits of the Company for the preceding three years is NIL and there have been losses the Company has not spent on CSR during the FY 2014-15.

ANNUAL REPORT ON CSR

Annual Report on CSR in the prescribed format has been enclosed as ANNEXURE IV.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company are normal business transactions entered in the ordinary course of business and are on an arm's length basis.

The Company has been following a policy of getting omnibus approval for the Related Party Transactions (RPTs) from the Audit Committee .

The actual RPTs entered were approved by the Audit Committee and by the Board at the quarterly meetings during the Financial Year 2014-15.

The policy on Related Party Transactions, as approved by the Board, is uploaded on the Company's website.

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 are furnished as ANNEXURE - V.

JUSTIFICATION FOR ENTERING INTO RELATED PARTY TRANSACTIONS

The Company's Related Party transactions have been made to meet the requirements of operations and at an arm's length basis and have been entered in the ordinary course of business.

FORMAL ANNUAL EVALUATION

In terms of Section 134(3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board reviewed and evaluated its own performance from the following perspectives:

- Company Performance;
- Risk Management;
- Corporate Ethics;
- Performance of the Individual Directors; and
- Performance of the Committees, viz., Audit Committee, Nomination and Remuneration Committee (NRC) and Stakeholders' Relationship Committee (SRC)

The Board upon evaluation considered that the Board is well balanced in terms of diversity of experience covering all the activities of the Company.

The Board, after discussion & review, noted with satisfaction of its own performance and that of its committees and individual Directors.

RATIO OF REMUNERATION TO EACH DIRECTOR

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is furnished as ANNEXURE - VI.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is given in the Annexure - VII.

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to NSE, where the Company's Shares are listed.

Delisting with Madras Stock Exchange

Based on the application along with the relevant documents filed by the Company to Madras Stock Exchange Limited (MSE) for delisting of the Company's Equity Shares, MSE vide its letter dated 05.05.2015, communicated to the Company their decision to withdraw the admission granted to the dealings on the Exchange for the Equity Shares of the Company in terms of SEBI (Delisting of Equity Shares) Regulations, 2009 and subsequent amended Regulations of 2015, for voluntary delisting and to remove the name of the Company from the Listed Securities of the MSE, with effect from 6th May, 2015.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report (ANNEXURE VIII).

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

GENERAL

Your Directors wish to thank M/s. State Bank of India & Export-Import Bank of India for their continued support and assistance.

Your Directors also wish to thank all the Customers, the wholesalers both in India and worldwide for their continued support.

Your Directors wish to place on record their sincere appreciation for the good work of all the employees.

(On behalf of the Board)

Madurai
May 22, 2015

T. KANNAN
Director

KRISHNA MAHESH
Managing Director

ANNEXURE INDEX

Annexure No.	Details of annexure
I	Specimen Declaration from Independent Directors on Annual Basis
II	Annual Return Extracts in MGT 9
III	Secretarial Audit Report
IV	Format for the Annual Report on CSR Activities to be included in the Board's Report
V	Form No. AOC 2 - Disclosure of Related Party Transactions
VI	Ratio of Remuneration
VII	Statement showing details of employees of the Company
VIII	Report on Corporate Governance

ANNEXURE - I

SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

M/s SUNDARAM BRAKE LININGS LIMITED

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 of the Listing Agreement read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that, I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material, I shall keep prior approval of the Board. I agree that, I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that, I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you,

Date :

Place :

Yours Faithfully,
Name
(Independent director)

ANNEXURE - II
ANNUAL RETURN EXTRACTS IN MGT 9

Form No. MGT-9
EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L34300TN1974PLC006703
- ii) Registration Date: 05.09.1974
- iii) Name of the Company: Sundaram Brake Linings Limited
- iv) Category / Sub-Category of the Company: Public Limited Company
- v) Address of the Registered office and contact details:
Address: 180, Anna Salai, Chennai - 600 006
Contact details: Mr S Ramabadran, Chief Financial Officer & Company Secretary
Phone: 91-44-42205405; Fax: 91-44-42205572;
E-mail: srb@tvssbl.com
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Integrated Enterprises (India) 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% on total turnover of the Company
1	Brake Linings, Clutch Facings, Disc Brake Pads, etc.	29301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding Company or Subsidiary Company or Associate Company and hence the following format is not applicable to us.

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
- Not Applicable -					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Shareholding of Promoter and Promoter Group									
1)	Indian									
a.	Individual / Hindu Undivided Family	9,17,911	-	9,17,911	23.33	8,97,911	-	8,97,911	22.82	-0.51
b.	Central Government / State Government	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	16,80,873	-	16,80,873	42.72	16,80,873	-	16,80,873	42.72	-
d.	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total A (1)	25,98,784	-	25,98,784	66.05	25,78,784	-	25,78,784	65.54	-0.51
2)	Foreign									
a.	Individual (Non resident / foreign)	-	-	-	-	-	-	-	-	-
b.	Bodies corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total A (2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = A (1) + A (2)	25,98,784	-	25,98,784	66.05	25,78,784	-	25,78,784	65.54	-0.51
B	Public Shareholding									
1)	Institutions									
a.	Mutual funds / UTI	-	110	110	-	-	110	110	-	-
b.	Financial Institutions / Banks	-	50	50	-	-	50	50	-	-
c.	Central Government / State Government	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	22,184	-	22,184	0.57	22,184	-	22,184	0.57	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total B (1)	22,184	160	22,344	0.57	22,184	160	22,344	0.57	-
2)	Non-Institutions									
a.	Bodies Corporate (Indian)	71,088	948	72,036	1.83	77,125	948	78,073	1.98	-
b.	Individuals (Resident/NRI/Foreign National)									
(i)	Individual shareholders holding Nominal share Capital upto Rs. 1 Lakh	8,74,916	1,81,541	10,56,457	26.85	9,43,188	1,73,620	11,16,808	28.38	-
(ii)	Individual shareholders holding Nominal share Capital above Rs. 1 Lakh	1,77,387	-	1,77,387	4.51	77,305	-	77,305	1.96	-
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any other (specify)	-	-	-	-	-	-	-	-	-
	Clearing Member	7,567	-	7,567	0.19	61,261	-	61,261	1.56	-
	Sub Total B (2)	11,30,958	1,82,489	13,13,447	33.38	11,58,879	1,74,568	13,33,447	33.89	0.51
	Total Public Share Holding (B) = B(1) + B(2)	11,53,142	1,82,649	13,35,791	33.95	11,81,063	1,74,728	13,55,791	34.46	0.51
	Total (A) + (B)	37,51,926	1,82,649	39,34,575	100.00	37,59,847	1,74,728	39,34,575	100.00	-
C	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	37,51,926	1,82,649	39,34,575	100.00	37,59,847	1,74,728	39,34,575	100.00	-

SUNDARAM BRAKE LININGS LIMITED

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Sundram Fastners Investments Limited	7,800	0.20	0	7,800	0.20	0	0.00
2.	Upasana Engineering Limited	13,900	0.35	0	13,900	0.35	0	0.00
3.	Alagar Farms (P) Ltd	1,95,895	4.98	0	1,95,895	4.98	0	0.00
4.	Rajarajeswari Farms (P) Ltd.	1,77,988	4.52	0	1,77,988	4.52	0	0.00
5.	Mridula Ramesh	10,092	0.26	0	10,092	0.26	0	0.00
6.	Mala Ramesh	9,570	0.24	0	9,570	0.24	0	0.00
7.	Urmila Ramesh	11,049	0.28	0	11,049	0.28	0	0.00
8.	K Ramesh	1,10,081	2.80	0	1,10,081	2.80	0	0.00
9.	Shrikirti Mahesh	54,409	1.38	0	54,409	1.38	0	0.00
10.	Shrimathi Mahesh	16,588	0.42	0	16,588	0.42	0	0.00
11.	Mahesh K	3,95,842	10.06	0	3,95,842	10.06	0	0.00
12.	Krishna Mahesh	1,68,766	4.29	0	1,48,766	3.78	0	-0.51
13.	Suresh Krishna	480	0.01	0	480	0.01	0	0.00
14.	Shrimathi Mahesh	40,824	1.04	0	40,824	1.04	0	0.00
15.	Usha Krishna	90	0.00	0	90	0.00	0	0.00
16.	Arathi Krishna	120	0.00	0	120	0.00	0	0.00
17.	Suresh Krishna	1,00,000	2.54	0	1,00,000	2.54	0	0.00
18.	Southern Roadways Limited	4,78,500	12.16	0	4,78,500	12.16	0	0.00
19.	TV Sundram Iyengar and Sons Private Limited	5,52,955	14.05	0	5,52,955	14.05	0	0.00
20.	Sundaram Industries Private Limited	2,53,835	6.45	0	2,53,835	6.45	0	0.00

iii) Change in Promoters' Shareholding:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr Krishna Mahesh, MD	168766	4.29	148766	3.78
Date wise increase / Decrease in Promoters Shareholding during the year : specifying the reasons for the increase / decrease					
	Sale of shares on 9 th September, 2014	(10000)	-0.25		
	Sale of shares on 9 th November, 2014	(10000)	-0.25		
	At the end of the year	148766	3.78		

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding		Cumulative Shareholding	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. CHINMAY G PARIKH				
At the Beginning of the year	121459	3.09		
06/30/2014	-235	-0.01	121224	3.08
09/12/2014	-3823	-0.10	117401	2.98
09/19/2014	-4498	-0.11	112903	2.87
09/30/2014	-930	-0.02	111973	2.85
11/14/2014	-2613	-0.07	109360	2.78
11/21/2014	-3511	-0.09	105849	2.69
11/28/2014	-12798	-0.33	93051	2.36
12/05/2014	-6516	-0.17	86535	2.20
12/12/2014	-1241	-0.03	85294	2.17
12/31/2014	-4171	-0.11	81123	2.06
01/09/2015	-3489	-0.09	77634	1.97
01/16/2015	-23356	-0.59	54278	1.38
01/23/2015	-32765	-0.83	21513	0.55
01/30/2015	-8039	-0.20	13474	0.34
02/06/2015	-3747	-0.10	9727	0.25
02/13/2015	-1945	-0.05	7782	0.20
At the End of the year	7782	0.20		
2. GOVINDLAL M PARIKH				
At the Beginning of the year	25383	0.65		
06/30/2014	-5063	-0.13	20320	0.52
07/04/2014	-10405	-0.26	9915	0.25
07/11/2014	-1024	-0.03	8891	0.23
08/29/2014	-1500	-0.04	7391	0.19
09/05/2014	-5391	-0.14	2000	0.05
02/06/2015	-1500	-0.04	500	0.01
At the End of the year	500	0.01		
3. GENERAL INSURANCE CORPORATION OF INDIA				
At the Beginning of the year	22184	0.56	22184	0.56
At the End of the year	22184	0.56		
4. GOVINDBHAI BALDEV DESAI				
At the Beginning of the year	18463	0.47		
02/27/2015	-18463	-0.47	0	0
At the End of the year	0	0.00		
5. SHAILA INVESTMENT & FINANCIAL CONSULTANTS PRIVATE LIMITED				
At the Beginning of the year	14000	0.36	14000	0.36
At the End of the year	14000	0.36		

SUNDARAM BRAKE LININGS LIMITED

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd...)

Sl. No.	Shareholding		Cumulative Shareholding	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6. BHAVANA GOVINDBHAI DESAI				
At the Beginning of the year	13182	0.34		
02/27/2015	18463	0.47	31645	0.80
At the End of the year	31645	0.80		
7. BANARAS HOUSE ENGINEERING PVT LTD				
At the Beginning of the year	10000	0.25		
03/27/2015	-4000	-0.10	6000	0.15
03/31/2015	-3012	-0.08	2988	0.08
At the End of the year	2988	0.08		
8. IDICULA CHERIAN				
At the Beginning of the year	10000	0.25	10000	0.25
At the End of the year	10000	0.25		
9. VANDANA				
At the Beginning of the year	9800	0.25		
05/03/2014	-246	-0.01	9554	0.24
06/13/2014	-500	-0.01	9054	0.23
06/20/2014	-400	-0.01	8654	0.22
06/30/2014	-1650	-0.04	7004	0.18
07/04/2014	-446	-0.01	6558	0.17
07/11/2014	-120	0.00	6438	0.16
07/18/2014	-100	0.00	6338	0.16
07/25/2014	-400	-0.01	5938	0.15
08/29/2014	-800	-0.02	5138	0.13
09/05/2014	-200	-0.01	4938	0.13
10/10/2014	62	0.00	5000	0.13
11/21/2014	-71	0.00	4929	0.13
11/28/2014	-200	-0.01	4729	0.12
12/05/2014	-100	0.00	4629	0.12
01/16/2015	-700	-0.02	3929	0.10
01/23/2015	-1000	-0.03	2929	0.07
01/30/2015	-1042	-0.03	1887	0.05
02/06/2015	-200	-0.01	1687	0.04
At the End of the year	1687	0.04		

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd...)

Sl. No.	Shareholding		Cumulative Shareholding	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company

10. MILI CONSULTANTS & INVESTMENTS PVT LTD

At the Beginning of the year	9706	0.25		
01/16/2015	-1	0.00	9705	0.25
01/23/2015	1	0.00	9706	0.25
01/30/2015	-680	-0.02	9026	0.23
02/06/2015	-520	-0.01	8506	0.22
02/27/2015	-200	-0.01	8306	0.21
03/06/2015	200	0.01	8506	0.22
03/13/2015	-120	0.00	8386	0.21
03/20/2015	115	0.00	8501	0.22
03/27/2015	-12	0.00	8489	0.22
03/31/2015	17	0.00	8506	0.22
At the End of the year	8506	0.22		

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company

a. Directors:

1. Mr K Mahesh, Chairman

At the Beginning of the year	395,842	10.06	395,842	10.06
At the End of the year	395,842	10.06	395,842	10.06

2. Mr K Ramesh, Director

At the Beginning of the year	110,081	2.80	110,081	2.80
At the End of the year	110,081	2.80	110,081	2.80

3. Mr T Kannan, Director

At the Beginning of the year	50	0.00	50	0.00
At the End of the year	50	0.00	50	0.00

4. Mr P S Raman, Director

At the Beginning of the year	169	0.00	169	0.00
At the End of the year	169	0.00	169	0.00

5. Mr Ashok V Chowgule, Director

At the Beginning of the year	-	-	0	0.00
At the End of he year	-	-	0	0.00

6. Mr K S Ranganathan, Director

At the Beginning of the year	-	-	0	0.00
At the End of the year	-	-	0	0.00

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v) Shareholding of Directors and Key Managerial Personnel: (Contd...)

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company

7. Mr K S D Sambasivam, Director

At the Beginning of the year	–	–	0	0.00
At the End of the year	–	–	0	0.00

8. Ms Sandhya Subramanyam, Director

At the Beginning of the year	–	–	0	0.00
At the End of the year	–	–	0	0.00

b. Key Managerial Personnel:

1. Mr Krishna Mahesh, Managing Director

At the Beginning of the year	168,766	4.29	148,766	3.78
At the End of the year	168,766	4.29	148,766	3.78

2. Mr S Ramabadrhan, Chief Financial Officer & Company Secretary

At the Beginning of the year	–	–	0	0.00
At the End of the year	–	–	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Rs. 4,583.58 lacs	–	–	Rs.4,583.58 lacs
ii) Interest due but not paid	Rs.3.32 lacs	–	–	Rs.3.32 lacs
iii) Interest accrued but not Due	–	–	–	–
Total (i + ii + iii)	Rs. 4,586.90 lacs	–	–	Rs. 4,586.90 lacs
Change in Indebtedness during the financial year				
• Addition	Rs. 540.15 lacs	–	–	Rs. 540.15 lacs
• Reduction	Rs. 3.32 lacs	–	–	Rs.3.32 lacs
Net Change	Rs. 536.83 lacs	–	–	Rs. 536.83 lacs
Indebtedness at the end of the financial year				
i) Principal Amount	Rs. 5,123.73 lacs	–	–	Rs. 5,123.73 lacs
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	Rs. 5,123.73 lacs	–	–	Rs. 5,123.73 lacs

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	Mr Krishna Mahesh, MD	-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Rs.60.96 lacs	Rs.60.96 lacs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	Rs. 60.96 lacs	Rs. 60.96 lacs
	Ceiling as per the Act	Rs. 60 lacs plus contribution to PF & Superannuation, viz., Rs. 76.20 lacs	Rs. 60 lacs plus contribution to PF & Superannuation, viz., Rs. 76.20 lacs

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr T Kannan	Mr P S Raman	Mr Ashok V Chowgule	Mr K S Ranganathan	Mr K S D Sambasivam	Ms Sandhya Subramanyam	
6.	Independent Directors • Fee for attending board / committee meetings	Rs.35,000/-	Rs.5,000/-	Rs.30,000/-	Rs.70,000/-	Rs.85,000/-	Rs.20,000/-	Rs.2,45,000/-
	Total (1)	Rs. 35,000/-	Rs. 5,000/-	Rs. 30,000/-	Rs. 70,000/-	Rs. 85,000/-	Rs. 20,000/-	Rs. 2,45,000/-
7.	Other Non-Executive Directors • Fee for attending board / committee meetings	Rs.30,000/-	Rs.10,000/-	-	-	-	-	Rs.40,000/-
	Total (2)	Rs. 30,000/-	Rs. 10,000/-	-	-	-	-	Rs. 40,000/-
	Total (B)=(1+2)	Rs. 65,000/-	Rs. 15,000/-	Rs. 30,000/-	Rs. 70,000/-	Rs. 85,000/-	Rs. 20,000/-	Rs. 2,85,000/-
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	Not Applicable						

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CFO & Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	Rs.36.83 lacs	Rs.36.83 lacs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total		Rs. 36.83 lacs	Rs. 36.83 lacs

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

NIL / NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

ANNEXURE - III
Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2014-15

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,
M/s. SUNDARAM BRAKE LININGS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Brake Linings Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Sundaram Brake Linings Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Brake Linings Limited("the Company") for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Apprentices Act, 1961
- (vii) The Minimum Wages Act, 1948

SUNDARAM BRAKE LININGS LIMITED

- (viii) The Payment of Gratuity Act, 1972
- (ix) The Industrial Employment Standing Orders Act, 1946
- (x) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- (xi) The Employees' State Insurance Act, 1948
- (xii) The Payment of Bonus Act, 1965
- (xiii) The Payment of Wages Act, 1936
- (xiv) The Factories Act, 1948
- (xv) The Workmen's Compensation Act, 1923
- (xvi) Tamilnadu Labour Welfare Fund (Amendment) Act, 1982
- (xvii) The Water (Prevention and Control of Pollution) Act, 1974
- (xviii) The Air (prevention and Control of Pollution) Act, 1981
- (xix) Special Economic Zone Act, 2005
- (xx) Income Tax Act, 1961 and Indirect Tax Laws
- (xxi) The Indian Stamp Act, 1899

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not Applicable for the year under review)
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no instances of:

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

Place : Chennai
Date : 12.05.2015

V SURESH
Practising Company Secretary
FCS No. 2969
C.P.No. 6032

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE
INCLUDED IN THE BOARD'S REPORT**

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs - Not applicable to the Company.
- The Composition of the CSR Committee:
- CSR Committee consists of Mr Ashok V Chowgule as Chairperson, Mr T Kannan & Mr K Mahesh as Members of CSR Committee.
- Average net profit of the company for last three financial years: Net Loss of Rs. 171 lacs
- Prescribed CSR Expenditure (two percent of the amount as specified in above item) - NIL
- Details of CSR spent during the financial year - NIL
- Total amount to be spent for the financial year - NIL
- Amount unspent, if any - Not Applicable
- Manner in which the amount spent during the financial year is not applicable as detailed below.

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
		Not Applicable					
	Total						

Give details of implementing agency: Not Applicable

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- As mentioned earlier, there has been a net loss of Rs. 171 lacs for the three preceding financial years and hence CSR is not applicable to the Company.
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company: Not Applicable.

T KANNAN
Member, CSR Committee

KRISHNA MAHESH
Managing Director

ANNEXURE - V
FORM No. AOC. 2

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts / arrangements / transactions
 - (c) Duration of the contracts / arrangements / transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

THE ABOVE INFORMATION IS NOT APPLICABLE AS THE COMPANY HAS NOT ENTERED INTO ANY TRANSACTION WITH RELATED PARTIES "NOT AT ARMS LENGTH BASIS".

2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts / arrangements / transactions
 - (c) Duration of the contracts / arrangements / transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any
 - (f) Amount paid as advances, if any

(A)	(B)	(C)	(D)	(E)	(F)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
T V Sundram Iyengar & Sons Private Limited	Sale of goods	From 01.04.2014 to 31.03.2015	Sales were made for Rs. 1,783.92 lacs during the FY 2014-15	Transactions for each of the four quarters were approved by the Board in their Meetings held on 01.08.2014, 12.11.2014, 03.02.2015 & 22.05.2015	Nil
T V S Motor Company Limited	Sale of goods	From 01.04.2014 to 31.03.2015	Sales were made for Rs. 916.98 lacs during the FY 2014-15		Nil
Sundaram Industries Private Limited	Sale of goods	From 01.04.2014 to 31.03.2015	Purchases of Rubber peels were made for Rs. 104.95 lacs during the FY 2014-15		Nil
Southern Roadways Limited	Freight	From 01.04.2014 to 31.03.2015	An amount of Rs. 68.92 lacs was incurred for outward freight during the FY 2014-15		Nil
Alagar Farms Private Limited	Purchase of Raw Materials	From 01.04.2014 to 31.03.2015	Purchases of Cashew Friction Dust were made for Rs.387 lacs during the FY 2014-15		Nil
Alagar Resins Private Limited	Purchase of Raw Materials	From 01.04.2014 to 31.03.2015	Purchases were made for Rs. 2,777.39 lacs during the FY 2014-15		Nil

KRISHNA MAHESH
Managing Director

T KANNAN
Director

**ANNEXURE - VI
RATIO OF REMUNERATION**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Minimum Remuneration paid to Mr Krishna Mahesh, MD - Rs. 60.96 lacs; Median salary - Rs. 2.48 lacs; Ratio of the remuneration paid to MD to Median salary for FY 2014-15 is 24.58:1																							
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	No increase during the financial year																							
(iii) the percentage increase in the median remuneration of employees in the financial year;	14.8%																							
(iv) the number of permanent employees on the rolls of company;	752																							
(v) the explanation on the relationship between average increase in remuneration and company performance;	Not Applicable																							
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration of Rs.36.83 lacs was paid to Mr S Ramabadrn, CFO & CS of the Company and there was no increase in the year																							
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Sl. No.</th> <th rowspan="2"></th> <th colspan="3">Financial Year</th> </tr> <tr> <th>2014-15</th> <th>2013-14</th> <th>Inc / (dec)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Price Earnings Ratio (= (i) / (ii))</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>2</td> <td>Rate at which the Company came out with the last public offer (Rights Issue in 2009)</td> <td style="text-align: center;">122.00</td> <td style="text-align: center;">122.00</td> <td style="text-align: center;">-</td> </tr> <tr> <td>3</td> <td>Increase in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer (Rights Issue in 2009)</td> <td style="text-align: center;">189.50</td> <td style="text-align: center;">61.05</td> <td style="text-align: center;">210.4%</td> </tr> </tbody> </table>	Sl. No.		Financial Year			2014-15	2013-14	Inc / (dec)	1	Price Earnings Ratio (= (i) / (ii))	-	-	-	2	Rate at which the Company came out with the last public offer (Rights Issue in 2009)	122.00	122.00	-	3	Increase in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer (Rights Issue in 2009)	189.50	61.05	210.4%
Sl. No.				Financial Year																				
		2014-15	2013-14	Inc / (dec)																				
1	Price Earnings Ratio (= (i) / (ii))	-	-	-																				
2	Rate at which the Company came out with the last public offer (Rights Issue in 2009)	122.00	122.00	-																				
3	Increase in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer (Rights Issue in 2009)	189.50	61.05	210.4%																				
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and	11.8% increase in salaries other than the managerial personnel in FY 2014-15 as compared to FY 2013-14; no increase in the managerial remuneration in the FY 2014-15 as compared to FY 2013-14.																							

justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration paid to Key Managerial Personnel: i. Mr Krishna Mahesh, MD - Rs. 60.96 lacs; ii. Mr S Ramabadrhan, CFO & CS - Rs. 36.83 lacs
(x) the key parameters for any variable component of remuneration availed by the directors;	No variable component in the remuneration paid to MD
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NOT APPLICABLE
(xii) affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

ANNEXURE - VII

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY

(i)	designation of the employee;	Mr Krishna Mahesh, Managing Director
(ii)	remuneration received;	Rs. 60,96,000/-
(iii)	nature of employment, whether contractual or otherwise;	He was appointed for a period of three years effective from 06.02.2013 by the Board of Directors in their Meeting held on 06.02.2013 and the same was approved by the Share holders by a Special Resolution in the AGM held on 01.08.2013
(iv)	qualifications and experience of the employee;	Qualifications: a) Master of Science in Mechanical Engineering from Stanford University, Stanford, CA in 1998. b) Masters degree in Business Administration - MBA from Harvard Business School Experience: a) During his time at McKinsey from 1998 to 2001, he had hands on experience in lean manufacturing techniques, guiding and training their clients engaged in tyre manufacturing, automobile manufacturing, biotechnology, engineering products in the areas of strategic price leadership, development of product-platform, purchasing and supplier management techniques and various other aspects of management.

SUNDARAM BRAKE LININGS LIMITED

		<p>b) During the period 2001 to 2003, he joined for intensive training in Toyota Production System (TPS), M/s Toyota Motor Manufacturing North America, Erlanger, USA and gained experience in the field of system redesign, process improvements, defect reduction and process improvement techniques implementation resulting in considerable savings for the Company.</p> <p>c) After training at Toyota, he took up his management study at Harvard Business School, Cambridge, MBA during 2003 and acquired his Masters Degree in Business Administration (MBA) in June 2005.</p> <p>d) During his education and training, he had submitted various papers in seminars and forums and was also holding various position in social committees and bodies.</p> <p>e) During 2005 to 2009, he was holding the position of Executive Director in SBL.</p> <p>f) From 1st Sep. 2011 onwards, he has been holding the position of Chief Operating Officer in SBL</p>
(v)	date of commencement of employment;	06.02.2013
(vi)	the age of such employee;	40 Years & 6 Months
(vii)	the last employment held by such employee before joining the company;	He was holding the position of Chief Operating Officer from 01.09.2011 before his appointment as Joint Managing Director on 06.02.2013
(viii)	the percentage of equity shares held by the employee in the company within the meaning of Clause (iii) of sub-rule (2) above; and	3.78%
(ix)	whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager:	Mr Krishna Mahesh is related to Mr K Mahesh, Chairman and Mr K Ramesh, Director
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;	Yes
	The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;	Not Applicable
	The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	Not Applicable

ANNEXURE VIII

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Company continues to believe in such corporate practices that ensure high level of transparency, professionalism and accountability in all activities of the Company to fulfill its corporate responsibilities thereby achieving its financial objectives in the interest of all stakeholders. The Company always endeavours to enhance shareholder value through prudent financial management backed up by sound business decisions. Also the Company makes continuous improvement in all disciplines of its operations. The company follows all the principles of corporate governance in its true spirit and at all times.

1. BOARD OF DIRECTORS

a) Composition

The Board of Directors of the Company comprises of two Directors nominated by Promoter Company, of whom one is a Wholetime Director of the Promoter Company and is the Chairman of Sundaram Brake Linings Limited out of the total strength of nine Directors. Out of the balance seven Directors, Mr Krishna Mahesh, son of Mr K Mahesh, Chairman of the Company was appointed as Joint Managing Director on 6th February 2013 and redesignated as Managing Director on 26th May, 2014. Out of the remaining six Directors, five Directors are Non-Executive Independent Directors and Ms Sandhya Subramanyam was appointed as an Additional Director in the Board Meeting held on 29th September, 2014 and is proposed for appointment as an Independent Director for a period of consecutive term of 5 years in the forthcoming AGM of the Company.

The composition of the Board is in conformity with Clause 49 of the listing agreement.

Chairman	:	Mr K Mahesh
Managing Director	:	Mr Krishna Mahesh
Non-Executive Director	:	Mr K Ramesh
Non-Executive & Independent Directors	:	Mr T Kannan Mr P S Raman Mr Ashok V Chowgule Mr K S Ranganathan Mr K S D Sambasivam
Additional Non-Executive Director	:	Ms Sandhya Subramanyam

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Non-Executive & Non-Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

SUNDARAM BRAKE LININGS LIMITED

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

Name of Director	Category	Number of Directorships in other companies		Number of Committee Memberships in other companies	
		Chairman	Member	Chairman	Member
Mr K Mahesh Chairman	Non-Executive	–	3	–	–
Mr K Ramesh Director	Non-Executive	3	1	–	–
Mr T Kannan Director	Non-Executive & Independent	2	4	1	2
Mr P S Raman Director	Non-Executive & Independent	–	1	–	1
Mr Ashok V Chowgule Director	Non-Executive & Independent	1	–	–	1
Mr K S Ranganathan Director	Non-Executive & Independent	–	–	–	–
Mr K S D Sambasivam Director	Non-Executive & Independent	–	–	–	–
Ms Sandhya Subramanyam Director	Woman Director (Non- Executive)	–	–	–	–
Mr Krishna Mahesh Managing Director	Executive & Non-Independent	–	–	–	–

Notes: a. Other directorships exclude foreign companies, private limited companies and alternate directorships.

b. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

c. Board Meetings and Attendance at Board Meetings

The Board met six times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S. No.	Date	Board Strength	No. of Directors present
1	23-04-2014	8	5
2	26-05-2014	8	6
3	01-08-2014	8	6
4	29-09-2014	9	5
5	12-11-2014	9	6
6	03-02-2015	9	5

The company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Chairman and the Managing Director apprise the Board on the overall performance of the Company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declarations made by the Chairman, Managing Director and the Chief Financial Officer & Company Secretary regarding compliances of all laws on a quarterly basis.

d. Disclosure of relationship between directors inter-se:

Mr. K Ramesh is related to Mr. K Mahesh, Chairman as his brother and Mr. Krishna Mahesh, Managing Director is the son of Mr. K Mahesh, Chairman.

e. Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

S. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr K Mahesh	6	5	Present
2.	Mr K Ramesh	6	2	Present
3.	Mr T Kannan	6	2	Present
4.	Mr P S Raman	6	1	Absent
5.	Mr Ashok V Chowgule	6	3	Present
6.	Mr K S Ranganathan	6	5	Present
7.	Mr K S D Sambasivam	6	6	Present
8.	Ms Sandhya Subramanyam	6	3	Not Applicable
9.	Mr Krishna Mahesh	6	6	Present

2. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Clause 49 of the listing agreement and also those specified in Section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems / financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of Statutory Auditor, Internal Auditor, Secretarial Auditor and Cost Auditor, if applicable. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings. The audit committee comprised of the following directors for the year ended 31st March 2015:

1. Mr T Kannan - Chairman
2. Mr P S Raman - Member
3. Mr Ashok V Chowgule - Member
4. Mr K S Ranganathan - Member
5. Mr K S D Sambasivam - Member

As on 31st March 2015 the committee comprised of five independent directors, all of whom are financially literate and have relevant finance / audit exposure. The Chairman, Managing Director, the non-executive Promoter Director and the Chief Financial Officer are permanent invitees to the meetings of the committee. The other Directors are invited to attend the audit committee meetings as and when required. The Company Secretary acts as the secretary to the committee. The composition of the audit committee is as per Clause 49 of the listing agreement. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 1st August 2014. The audit committee met four times during the year. The details are as follows:

Attendance of each Director at Audit Committee Meetings

Name of the Director	Number of audit committee meetings attended
Mr T Kannan - Chairman	3
Mr P S Raman - Member	0
Mr Ashok V Chowgule - Member	2
Mr K S Ranganathan - Member	3
Mr K S D Sambasivam - Member	4

3. NOMINATION AND REMUNERATION COMMITTEE

- (I) Brief description of terms of reference is for :
 - (A) appointment of the directors and key managerial personnel of the Company; and
 - (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.
- (II) Composition of committee and attendance of members:

Sl. No.	Name of Director and position	Attendance at the Meeting held on 31.01.2015
1	Mr K S Ranganathan, Chairman	Yes
2	Mr Ashok V Chowgule, Member	No
3	Mr K S D Sambasivam, Member	Yes

This committee is empowered to recommend for the appointment/reappointment of executive directors and the appointments of employees from the level of President and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Nomination & Remuneration Committee comprises of non-executive and independent directors. Mr. K S Ranganathan is the chairman of the committee. Mr. Ashok V Chowgule and Mr. K S D Sambasivam are the other members. The company secretary is the secretary to the committee.

During the financial year 2014-2015, the committee met on 31.01.2015, wherein the Committee approved the Nomination & Remuneration Policy of the Company. However, there was no appointment / reappointment of executive directors / appointments of employees at or above the level of President.

CRITERIA FOR PERFORMANCE EVALUATION AS LAID DOWN BY NOMINATION COMMITTEE

(III) REMUNERATION POLICY

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

(IV) CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS

The Company has a pre-defined policy of not making any payments except Sitting Fees to Non-Executive Directors.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. K S D Sambasivam, non-executive director is the Chairman of the committee. Mr. K S Ranganathan and Mr. Krishna Mahesh are the other members of the committee.

The committee decided that a share transfer committee be constituted with Mr. S Ramabdran, CFO & Company Secretary and Mr. R Ramasubramanian, President as members to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc. The actions of share transfer committee will be ratified in Stakeholders' Relationship Committee at its subsequent meeting.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met four times during the year 2014-2015. The committee approved the transfer of 974 shares in physical form during the FY 2014-15.

Complaints received and redressed during the year 2014-15:

S. No.	Nature of Complaints	Number of Complaints
1.	Regarding annual report	–
2.	Revalidation of dividend warrant	19
3.	Issue of duplicate share certificate	1
4.	Issue of duplicate dividend warrant	2
5.	Procedure for transmission	18
6.	General queries	9
7.	Non-receipt of dividend	3
8.	Correction in share certificate	3
9.	Change of address	–
10.	Unclaimed dividend	1
11.	Correction in dividend cheque	–
12.	Procedure for Loss of Share Certificate	9
	TOTAL	65

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

There was no Complaint registered under "SCORES".

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. S Ramabadran, CFO & Company Secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact Mr. S Ramabadran, CFO & Company Secretary of the Company.

5. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met during the year on 31st January 2015 and 3rd February 2015 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

As per the requirements, the Company had during the year, conducted Familiarisation programme for Independent Directors of the Company through a specific presentation on the Company and the details of such familiarisation programme are disseminated on the website of the Company ([www.tvsbrakelinings.com/Investor Information/ Familiarisation Programme](http://www.tvsbrakelinings.com/Investor%20Information/Familiarisation%20Programme)).

6. REMUNERATION PAID TO DIRECTORS

Of the total nine Directors of the Company, Mr Krishna Mahesh is the Managing Director of the Company. He was appointed by Shareholders for a period of 3 years from 06.02.2013 and his remuneration was approved by Shareholders by Special Resolution at the AGM held on 1st August, 2013. The Non-Executive Directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

- a) Details of Remuneration paid to Mr Krishna Mahesh, Managing Director during the financial year 2014-2015:

Particulars	Amount in Rs.
Basic Salary	48,00,000/-
Bonus/ Benefits	-
House Rent Allowance	-
Other Allowances	-
Commission	-
Other Perquisites / performance linked incentive	-
Contribution to Provident Fund / Pension	5,76,000/-
Contribution to Superannuation Fund	7,20,000/-
Stock Option	-
Service contracts/ notice period/ severance fees	-

- b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-15:

Name of the Director	Amount in Rs.					
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Meeting of Independent Directors	Total
Mr K Mahesh, Chairman	30,000/-	-	-	-	-	30,000/-
Mr K Ramesh	10,000/-	-	-	-	-	10,000/-
Mr T Kannan	15,000/-	15,000/-	-	5,000/-	-	35,000/-
Mr P S Raman	5,000/-	-	-	-	-	5,000/-
Mr K S Ranganathan	30,000/-	15,000/-	5,000/-	15,000/-	5,000/-	70,000/-
Mr Ashok V Chowgule	15,000/-	10,000/-	-	-	5,000/-	30,000/-
Mr K S D Sambasivam	35,000/-	20,000/-	5,000/-	20,000/-	5,000/-	85,000/-
Ms Sandhya Subramanyam	20,000/-	-	-	-	-	20,000/-
Total	1,60,000/-	60,000/-	10,000/-	40,000/-	15,000/-	2,85,000/-

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2015.

- c) Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015, the Company had one Executive Director and eight Non-Executive Directors. Mr Krishna Mahesh, Managing Director who is the Executive Director holds 1,48,766 equity shares in the company. Among the Non-Executive Directors, Mr K Mahesh, Chairman holds 3,95,842 equity shares; Mr K Ramesh, Director holds 1,10,081 equity shares; Mr T Kannan holds 50 equity shares and Mr P S Raman, Director holds 169 equity shares in the Company. The other four Non-Executive Directors do not hold any shares in the company.

7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

SUNDARAM BRAKE LININGS LIMITED

Annual General Meetings of the Company :

Venue	Financial Year	Date & Time
Vani Mahal, No. 103, G N Chetty Road, T Nagar, Chennai - 600 017	2011-2012	28 th July, 2012
Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	2012-2013	1 st August, 2013
Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	2013-2014	1 st August, 2014

The details of special resolutions passed in AGM in the last 3 years are as follows:

AGM	Subject
AGM held on 28 th July 2012	Approval and consent for the appointment of Mr Krishna Mahesh as Chief Operating Officer of the Company from 01-09-2011 on a monthly salary of Rs. 2,00,000/- and other benefits as approved by the Board of Directors in the Meeting held on 01-09-2011
AGM held on 1 st August 2013	Approval and consent for the appointment of Mr Krishna Mahesh as Joint Managing Director of the Company for a term of three years with effect from 06-02-2013, and for the payment of remuneration of 5% of net profits of the Company in the years where the Company makes adequate profits Rs. 4 lakhs per month be paid as Minimum Remuneration, where in any financial year, during the currency of tenure of Joint Managing Director, the Company has no profits or its profits are inadequate
AGM held on 1 st August 2014	<ol style="list-style-type: none"> 1. Appointment of Mr T Kannan as an Independent Director for a period of consecutive term of 5 years from the date of this AGM 2. Appointment of Mr P S Raman as an Independent Director for a period of consecutive term of 5 years from the date of this AGM 3. Appointment of Mr Ashok V Chowgule as an Independent Director for a period of consecutive term of 5 years from the date of this AGM 4. Appointment of Mr K S Ranganathan as an Independent Director for a period of consecutive term of 5 years from the date of this AGM 5. Appointment of Mr K S D Sambasivam as an Independent Director for a period of consecutive term of 5 years from the date of this AGM 6. Borrowing Powers under Section 180 (1)(c) of Companies Act, 2013 providing that the total amount so borrowed and outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 100 Crores 7. Creation of security for borrowing under Section 180(1)(a) of Companies Act, 2013 8. Amendment of Article 41 (g) in the Articles of Association of the Company under Section 14(1) of Companies Act, 2013

e-Voting / Poll: Details of E-voting / Poll carried out at AGM held on 01.08.2014:

e-Voting option was provided to the Share holders of the Company for casting their votes in respect of the 11 Resolutions listed in the Agenda for the AGM of the Company held on 01.08.2014.

Polling option was also extended to those Share holders who opted for the same at the AGM held on 01.08.2014.

Based on the votes cast through the e-voting process and the Polling process, all the 11 Resolutions were passed with the requisite majority and the Scrutinizer's Report - Combined dated 01.08.2014 given by Mr V Suresh, Practising Company Secretary had been uploaded in the Company's website: www.tvnbrakelings.com/Investor.

Details of Special resolution passed by the shareholders of the company through postal ballot during the year 2014-15:

Postal ballot and e-Voting options were given to the Share holders of the Company for casting their votes in respect of the Special Resolution for alteration in Article 24 of the Articles of Association of the Company.

Based on the votes cast through the Postal ballot and e-Voting process, the Special Resolution was passed with the requisite majority and the Scrutinizer's Report dated 18.09.2014 given by Mr V Suresh, Practising Company Secretary had been uploaded in the Company's website: www.tvnbrakelings.com/Investor.

8. SUBSIDIARY COMPANIES

There is no subsidiary for our Company and hence this Section is not applicable to our Company.

9. A) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management.
- Explain approach adopted by the Company for risk management.
- Define the organizational structure for effective risk management.
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

Risk Management Policy of the Company was adopted in the Board Meeting held on 29th September, 2014.

B) RISK MANAGEMENT COMMITTEE

Constitution of the Risk Management Committee is not applicable to the Company as the Company does not figure in the top 100 Listed Companies by market capitalization for which the Clause 49(VI)(C) of Listing Agreement shall apply.

10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The company has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for

adequate safeguards against victimization of directors/ employees who avail the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters of the employees are reported to Mr S Ramabadran, Chief Financial Officer & Company Secretary and Compliance Officer of the Company at e-mail id: srbsbll@yahoo.com. Reportable Matters of the Directors are reported to Mr T Kannan, Chairperson of the Audit Committee. The key directions/actions taken by the Audit Committee Chairperson are informed to the Managing Director of the Company. The Whistle Blower Policy had been uploaded in the Company's website: www.tvsbrakelinings.com/Investor Information/VIGIL MECHANISM_Whistle Blower Policy.

There was no complaint received under the whistle blower policy in the year 2014-15.

11. DISCLOSURES

RELATED PARTY TRANSACTION

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company www.tvsbrakelinings.com/Investor Information/Policy on Related Party Transactions.

Details of RPT in Form AOC 2 attached to Board Report may be referred to.

12. ACCOUNTING TREATMENT

The Company has followed all the applicable Accounting Standards issued by Institute of Chartered Accountants of India in preparation of Financial Statements.

13. COMPLIANCES

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

14. MEANS OF COMMUNICATION

- a. The unaudited quarterly / audited yearly financial results of the company are published in leading English newspaper viz., Financial Express and the same were published in Tamil version in Dinamani. These are not sent individually to the shareholders.
- b. The company's website address is: www.tvsbrakelinings.com. The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id srb@tvssbl.com to enable the shareholders to register their grievances.
- c. Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed with National Stock Exchange in NEAPS within the time frame prescribed in this regard.
- d. No presentations have been made to institutional investors or to analysts during the year.

15. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.tvstrakelinings.com/Investor Information/Code of Conduct](http://www.tvstrakelinings.com/Investor%20Information/Code%20of%20Conduct). As provided under Clause 49 of the listing agreement with the stock exchange, the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2014-15.

16. GENERAL INFORMATION TO SHAREHOLDERS

(a) 41st Annual General Meeting - Date and Time - Venue	6 th August, 2015, 9 A.M Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006.
(b) Financial Calendar - (Tentative) Annual General Meeting of the next year - Unaudited financial results for the first quarter ending 30 th June, 2015 - Unaudited financial results for the second quarter ending 30 th September, 2015 - Unaudited financial results for the third quarter ending 31 st December, 2015 - Audited financial results for the year ending 31 st March, 2016	Before 30 th September, 2016 Any day before 14 th August, 2015 Any day before 14 th November, 2015 Any day before 14 th February, 2016 Any day before 30 th May, 2016
(c) Book Closure period	31-07-2015 to 06-08-2015
(d) Dividend payment date: - Dividend	Not Applicable
(e) a. Listing of Equity Shares & Stock Code	1 National Stock Exchange Code : SUNDRMBRAK EQ 2 Bombay Stock Exchange Scrip Code : 590072 (Permitted Security)
b. Demat ISIN Numbers in NSDL & CDSL	Equity Shares : INE 073D01013
Listing fee has been paid to NSE for the year 2015-16	

(f) Share market price data:

Rs.

Month	Madras Stock Exchange *		National Stock Exchange	
	High	Low	High	Low
April '14	–	–	191.95	173.00
May	–	–	220.00	175.50
June	–	–	259.00	186.00
July	–	–	295.95	234.55
August	–	–	314.90	240.05
September	–	–	344.00	266.10
October	–	–	298.40	245.75
November	–	–	364.95	265.20
December	–	–	370.00	285.00
January '15	–	–	524.00	327.00
February	–	–	534.75	360.30
March '15	–	–	400.95	265.00

* No trading was reported during the year

As an investor friendly initiative, Bombay Stock Exchange had included the Company's scrip for trading in Bombay Stock Exchange under "Permitted Securities" category effective 28th December 2006. This has resulted in increase in the liquidity of the shares traded in the exchanges.

(g) Share price performance in comparison to broad based indices at NSE:

Company's share price performance in comparison to National Stock Exchange indices is furnished elsewhere in this report as a graph.

(h) Share / Security Transfer System:

Since 1st April 2003 Share/Security transfers in physical form is also processed by M/s Integrated Enterprises (India) Ltd, Chennai. Normally share / security transfers are processed within 15 days from the date of receipt, subject to the documents being valid in all respects. At the meeting of the Board of Directors held on 29th April 2002 the power to transfer shares has been delegated to certain authorized officials in compliance with Clause 49 (VI) (D) of the Listing Agreement to have periodic meeting with shorter intervals to ensure speedy transfer of securities and the same has been implemented now. Accordingly the share transfer is effected once in every ten days. Transfers, transmissions etc., are approved once in 10 days (as against norm of 30 days) and requests for dematerialisation are confirmed within 10 days (as against the norm of 15 days). The relative share certificates are dispatched by Registered Post / Courier.

In compliance with the directives of SEBI in appointing a common agency for share transfer related activities (both physical and demat), effective 1st April 2003, M/s Integrated Enterprises (India) Ltd, Chennai are acting as Registrars and Share Transfer Agents (RTA) for providing the connectivity with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and also for transfer of shares held in physical form.

(i) **Shareholding pattern as on 31st March 2015:**

No. of shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 500	7,002	93.72	5,82,354	14.80
501 - 1000	268	3.59	1,98,995	5.06
1001 - 2000	100	1.34	1,45,152	3.69
2001 - 3000	42	0.56	1,07,340	2.73
3001 - 4000	9	0.12	30,671	0.78
4001 - 5000	11	0.15	49,870	1.27
5001 - 10000	18	0.24	1,28,401	3.26
10001 & above	21	0.28	26,91,792	68.41
Total	7,471	100.00	39,34,575	100.00

(j) **Distribution of shareholding as on 31st March 2015:**

Shareholder	No. of shareholders	No. of shares held	% of total shares held
Promoter companies	7	16,80,873	42.72
Directors & relatives	18	8,99,120	22.85
Mutual Funds	2	110	0.00
Banks	1	50	0.00
Insurance companies	1	22,184	0.56
Body corporates	118	78,073	1.98
Non-Resident Indians	45	11,857	0.30
Clearing Member	89	61,261	1.56
Public-Resident individuals	7,190	11,81,047	30.02
Total	7,471	39,34,575	100.00

(k) **Dematerialisation and Liquidity:**

In accordance with the SEBI Circular SEBI/Cir/ISD/3 2011 dated June 17, 2011, the entire shareholding of promoters' and promoter group of 25,78,784 shares are held in dematerialized form.

Out of the balance 13,55,791 equity shares held by the public (other than Promoters), 11,81,063 equity shares have been dematerialised as on 31st March 2015 accounting for 87.11%.

As per the directives issued by SEBI, effective 26th March 2001 the equity shares of the company are placed in its compulsory demat list of securities for the purpose of trading.

(l) **Outstanding GDRs / ADRs / Warrants or any convertible instrument, conversion date and likely impact on equity:**

We have no GDRs/ADRs or any convertible instrument.

(m) **Plant locations:**

Padi, Chennai - 600 050 Phone Nos: 42205300,42205407 Fax No. 044 - 42205572 E-mail: sbl@tvssbl.com	TSK Puram Plant I & II Mustakurichi Post Virudhunagar District Pin code 626 106 Phone : 04566 -250290 -295	Plant - 4 & Plant - 5 Plot No: AA6, 6 th Avenue Auto Ancillary SEZ Mahindra World City Natham Sub Post, Chengalpet, Kanchipuram District Pin code 603 004 Phone : 044 - 4749 0005
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SUNDARAM BRAKE LININGS LIMITED

(n) Registrar and Share Transfer Agents :

Effective 1st April 2003, the Company appointed M/s Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 as the Registrar and Share Transfer Agents (RTA) of the Company for all share related investor services.

(o) Address for Investors' correspondence:

To contact RTA for all matters relating to shares, dividends, Annual Reports	Integrated Enterprises (India) 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 : kalyan@integratedindia.in
For any other general matters or in case of any difficulty / grievance	Chief Financial Officer & Company Secretary Sundaram Brake Linings Ltd Padi, Chennai - 600 050.	Phone : 91-44-42205406 Fax : 91-44-42205572 E-mail : srb@tvssbl.com

Shareholders may correspond with M/s Integrated Enterprises (India) Limited, Chennai, the Share Transfer Agents of the Company at the address given above, quoting Folio no. / Client ID.

NON MANDATORY REQUIREMENTS

a. Publication of quarterly / half yearly results:

The quarterly / half yearly results of the Company are published in one English newspaper having a wide circulation and in one Tamil newspaper. The results are not sent to the shareholders individually. However the Company has been displaying the quarterly results in its website.

b. Postal Ballot:

No Special resolution requiring a postal ballot was placed before the last AGM. Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

c. Request to Investors:

Investors are requested to kindly make note of the following procedure:

All communications including change of address, bank account details etc., are to be made to the Company's Registrar & Transfer Agent's address furnished elsewhere in this report.

As required by SEBI, it is advised that the investors shall furnish details of their bank account number, name and address of the bank for incorporating the same in the warrants. This information is required to avoid wrong credits being obtained by unauthorized persons.

The shareholders who are covered by the designated centres/cities as notified by the Reserve Bank of India where the Electronic Clearing Service (ECS) is extended by them, are requested to write to the Office & Factory of the Company at Padi, Chennai 600 050 for obtaining the mandate format for their execution and return for credit of dividend to their bank account under ECS.

Investors who have not availed nomination facility are requested to kindly fill in the nomination form and submit the same to the Company along with requisite proof of nomination.

Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will be transferred to "Investors Education and Protection Fund" in terms of Section 125 of the Companies Act, 2013. Out of the dividends declared for all the financial years including and upto the financial year ended 31st March 2006, the amount which remained unclaimed has been transferred to the Investors Education & Protection Fund as per the provision of Section 125 of the Companies Act, 2013.

Due dates for transfer of Unclaimed Dividends to the Investor Education and Protection Fund established by the Central Government pursuant to Section 125 of the Companies Act, 2013:

Financial Year	Dividend Reference - %	Date of Declaration of Dividend	Due for transfer on
2007-08	34 th AGM Interim - 60%	16 th June, 2008	23 rd July, 2015
2008-09	35 th AGM Interim - 40%	29 th June, 2009	5 th August, 2016
2009-10	36 th AGM Interim - 40%	12 th March, 2010	16 th April, 2017
2010-11	37 th AGM 40 %	9 th May, 2011	13 th June, 2018
2011-12	38 th AGM 30 %	28 th July, 2012	2 nd September, 2019

Those who have not encashed their warrants may contact the Company immediately and surrender their warrants, before the above due dates for further action by the Company.

Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility, furnishing of bank account details etc.

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To

The Members of Sundaram Brake Linings Limited

We have examined the compliance of the conditions of Corporate Governance by Sundaram Brake Linings Limited for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 the opinion on the financial statements of the Company.

In our opinion and to the best of our information and 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 2015, no investor grievances are pending against the Company as on 22-05-2015 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

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 SUNDARAM & SRINIVASAN
Chartered Accountants (FRN 004207 S)

Madurai
May 22, 2015

P MENAKSHI SUNDARAM
Partner
(Membership No.217914)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT - 2015

Industry and Company Trend

The year 2014-15 was one of the most challenging years for Automobile sector. Though some of the OEMs have done better over last year but majority of the companies have seen down trend in their sales volume.

Automobile industry annual production volumes were 233.66 lakh units for the year 2014-15 as compared to 215.00 lakh units for the year 2013-14 indicating a growth of 9% in volumes.

Automobile industry annual sales volumes were at 233.26 lakh units for the year 2014-15 as compared to 215.34 lakh units for the year 2013-14 indicating an overall growth of 8%.

The above growth was possible mainly due to higher production & sales volumes in the Two Wheeler segments, which had a 9% growth on a comparatively existing higher base. Also growth was seen in the Three Wheeler and Passenger Vehicle segments. The Commercial Vehicle segment was almost flat with a very marginal drop.

During the year 2014-15 the Heavy commercial segment exhibited signs of pick-up with a growth of 21% in production volumes and 17% in sales volumes as compared to the previous year 2013-14. However the Light commercial segment continued to drop further and recorded further drop of -10% in both production and sales volumes in 2014-15 as compared to the previous year 2013-14.

Passenger car segment had a moderate growth of 4% in both production and sales volumes as compared to 2013-14.

Following are the Auto-industry Production & Sales data in vehicle units

(in Lakh / nos)

Vehicle Category	Vehicle Production		Growth	Vehicle sales		Growth
	2013-14	2014-15	%	2013-14	2014-15	%
M & HCV	2.22	2.69	21%	2.24	2.63	17%
LCV	4.77	4.29	-10%	4.85	4.37	-10%
Passenger	30.88	32.20	4%	31.00	32.24	4%
Three -wheeler	8.30	9.49	14%	8.33	9.40	13%
Two-wheeler	168.83	185.00	10%	168.91	184.62	9%
Total	215.00	233.66	9%	215.34	233.26	8%

Source: SIAM

Exports in Automobile sector for the year 2014-15 registered an overall growth of 15% as compared to previous year 2013-14, with moderate to good growth in almost all segments.

Your company showed a marginal decline of 3% in sales during the year 2014-15, as compared to year 2013-14, with almost same sales turnover in Exports, 4% growth in the after market sales and a negative growth of 13% in the domestic OE segment.

Opportunities and threats

In view of the changing trends in the world market, from drum brake linings to disc brakes for commercial vehicles, your company is giving special focus on Commercial Vehicle Disc Pad business.

Entry of new Friction Material Manufacturers in organized sector has increased competitive pressures and manufacturers in unorganized sector offering low priced asbestos & non-asbestos linings for Medium & Heavy Commercial vehicles, have affected your company's sales growth and margins.

In order to counter the above, Your company is working on a medium term strategy to focus on the two wheeler and passenger vehicle segment, and are closely working with select OEM's.

Risk and concerns

Besides continued increasing input raw material costs, steep increase in power cost coupled with power cuts apart from increasing employee cost would continue to be the major threat for your company to deal with during 2015-16.

Human Resources / Industrial Relations

The industrial relations in all five plants of the Company continued to be cordial. Retainment of talent would be a challenge and your company are in the process of putting HR initiatives in this area. The total number of employees on roll as on 31st March, 2015 in all the Plants was 1,430.

Quality and Quality Management Systems

Your Company is continuing its focus on improvements to the quality systems at all levels through Total Employee Involvement with a view to provide higher customer satisfaction. It is also closely monitoring and focusing various cost reduction and cost control initiatives in various areas of operations to achieve planned targets during the year.

Internal Control System

The Company maintains a system of internal control including adequate monitoring procedures. The internal auditors ensure operational control at various locations of the Company on a regular basis. Any irregularity or significant issues are brought to the attention of the Audit Committee of the Board and Managing Director of the Company and countermeasures are taken for complying with the system.

Financial and Operational performance:

Rs. in lacs

Particulars	Year 2014-15	Year 2013-14
Revenue from Operations	23,650.77	24,873.89
Other Income	98.76	38.62
TOTAL INCOME	23,749.53	24,912.51
Cost of materials consumed	12,246.71	12,280.71
Changes in inventories of finished goods & work-in-progress	(624.56)	450.12
Employee benefit expenses	3,851.51	3,406.88
Finance cost	368.04	292.66
Depreciation and amortization expense	688.77	810.92
Other expenses	8,112.02	7,998.83
Total expenditure	24,642.49	24,947.46
Profit before tax before exceptional item	(892.96)	(327.61)
Exceptional items	-	339.71
Profit before tax after exceptional item	(892.96)	12.10
Tax expense		
Current Tax	(0.09)	(0.05)
Prior Period Tax	(644.44)	(409.29)
Deferred Tax asset	82.75	(124.40)
Profit / (Loss) for the period	(1,454.74)	(521.64)

Note: Previous year figures have been regrouped wherever necessary to conform to this year's classification.

Cautionary statement:

Certain statements in the "Management Discussion and Analysis Report" may be forward looking and are as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF SUNDARAM BRAKE LININGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Brake Linings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and 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 it appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors, as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (1) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 28 to the financial statements.
 - (ii) The company has made provision as required under any law or accounting standards for material foreseeable losses, if any, on long term contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For M/s SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Madurai
Date : 22nd May, 2015

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

- (i) a. The Company has maintained proper records, full particulars including quantitative details and situation of fixed assets.
- b. On the basis of the information and explanation given to us fixed assets are being physically verified by the management at reasonable intervals. As informed to us, no material discrepancies were noticed on such verification.
- (ii) a. We were informed that the Inventories of goods, spare parts and raw material has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventory. The discrepancies noticed on physical verification carried out by the management, have been properly dealt with in the books of accounts.
- (iii) According to information and explanation given to us, the company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained u/s 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the Auditing Standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act.
- (vii) According to the information and explanations given to us, in respect of statutory and other dues:
 - a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other Statutory dues with the appropriate authorities.

- b) According to the information & explanations given to us, there are no dues payable in respect of Sales Tax, Income Tax, Excise Duty, Wealth Tax, Custom Duty, Service Tax and Cess as at 31.03.2015 which were disputed except the following:

Statute	Nature of dues	Total amount (in lakhs)	Paid and or provided (in lakhs)	Balance amount outstanding as on 31.03.2015	Assessment year to which amount relates	Forum to which it relates
Income Tax Act, 1961	Income Tax	2,237.91	1,008.99	1,228.92	2008-09 to 2012-13	Commissioner of Income Tax (Appeals)

- c) According to the information & explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) There are no accumulated losses as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and no cash loss had been incurred in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments to banks or financial institutions. The Company has not issued any Debentures.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks or financial Institutions. Hence, the relative reporting requirements are not applicable.
- (xi) According to the information & explanations given to us, term loans availed by the Company were prima-facie applied by the company for the purpose for which the loans were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanation given to us, during the period under audit, no cases of fraud on or by the Company were noticed or reported.

For M/s SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Madurai
Date : 22nd May, 2015

SUNDARAM BRAKE LININGS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

	Note No.	As at		Rs. in lacs
		31.03.2015		As at 31.03.2014
(I) EQUITY AND LIABILITIES:				
1. Shareholders' Funds				
a) Share Capital	2	393.46	393.46	
b) Reserves and Surplus	3	6,592.19	8,265.71	
		6,985.65		8,659.16
2. Non-current Liabilities				
a) Long-Term Borrowings	4	764.15	1,296.35	
b) Deferred Tax Liabilities (Net)	5	1,198.02	1,280.77	
c) Long Term Provisions	6	72.87	78.04	
		2,035.04		2,655.16
3. Current Liabilities				
a) Short-term Borrowings	7	3,764.88	2,755.03	
b) Trade Payables	8	2,273.39	2,299.72	
c) Other Current Liabilities	9	617.06	555.05	
d) Short-Term Provisions	10	2,001.53	1,338.16	
		8,656.86		6,947.96
TOTAL		17,677.55		18,262.28
(II) ASSETS				
1. Non-current Assets				
a) Fixed Assets	11			
(i) Tangible Assets		8,073.97	8,715.24	
		8,073.97		8,715.24
b) Non-Current Investments	12	2.10	0.60	
c) Long-term Loans & Advances	13	437.33	389.44	
d) Other Non-current Assets	14	0.22	0.00	
		439.65		390.04
2. Current Assets				
a) Inventories	15	2,876.54	2,300.23	
b) Trade Receivables	16	5,403.13	5,764.31	
c) Cash and Cash Equivalents	17	343.45	395.14	
d) Short term loans and advances	18	540.81	697.32	
		9,163.93		9,157.00
TOTAL		17,677.55		18,262.28
Significant Accounting Policies	1			
See Accompanying Notes to the Financial Statements				

K RAMESH
Director

T KANNAN
Director

K S RANGANATHAN
Director

As per our Report Annexed
for SUNDARAM & SRINIVASAN
Chartered Accountants
(FRN 004207 S)

K S D SAMBASIVAM
Director

KRISHNA MAHESH
Managing Director

Place : Madurai
Date : May 22, 2015

S RAMABADRAN
Chief Financial Officer & Company Secretary

P MENAKSHI SUNDARAM
Partner
Membership No.217914

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note No.	For the Year ended 31.03.2015	Rs. in lacs For the Year ended 31.03.2014
I. Revenue from operations	19	23,650.77	24,661.64
II. Other income	20	98.76	250.87
III. Total Revenue		<u>23,749.53</u>	<u>24,912.51</u>
IV. Expenses			
Cost of materials consumed	21	12,246.71	12,280.71
Changes in inventories of finished goods & work-in-progress	22	(624.56)	450.12
Employee benefit expenses	23	3,851.51	3,434.87
Finance cost	24	368.04	292.66
Depreciation and amortisation expense	11	688.77	810.92
Other expenses	25	8,112.02	7,970.84
Total expenses		<u>24,642.49</u>	<u>25,240.12</u>
V. Profit / (Loss) before exceptional and extra-ordinary items and tax		(892.96)	(327.61)
VI. Exceptional items	26	-	339.71
VII. Profit / (Loss) before extra-ordinary items and tax (V - VI)		<u>(892.96)</u>	<u>12.10</u>
VIII. Extra-ordinary items		-	-
IX. Profit / (Loss) Before Tax (VII - VIII)		<u>(892.96)</u>	<u>12.10</u>
X. Tax expense:			
- Current Tax		(0.09)	(0.05)
- Prior Period Tax		(644.44)	(409.29)
- Deferred Tax Liability (net)		-	(124.40)
- Deferred Tax Asset (net)		82.75	-
XI. Profit / (Loss) for the period from continuing operations		<u>(1,454.74)</u>	<u>(521.64)</u>
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		<u>(1,454.74)</u>	<u>(521.64)</u>
XVI. Earnings per equity share - Basic and Diluted Rs. (Face Value Rs. 10)	27	(36.97)	(13.26)
Significant Accounting Policies	1		
See Accompanying Notes to the Financial Statements			

K RAMESH
Director

T KANNAN
Director

K S RANGANATHAN
Director

As per our Report Annexed
for SUNDARAM & SRINIVASAN
Chartered Accountants
(FRN 004207 S)

K S D SAMBASIVAM
Director

KRISHNA MAHESH
Managing Director

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Madurai
Date : May 22, 2015

S RAMABADRAN
Chief Financial Officer & Company Secretary

SUNDARAM BRAKE LININGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended 31.03.2015	Rs. in lacs For the year ended 31.03.2014
A Cash flow from Operating Activities:		
Net Profit / (Loss) Before Tax	(892.96)	12.10
Less: Exceptional Item:		
Write-back of earlier years' depreciation no longer required and reversed	-	(339.71)
Net Profit Before Tax and Exceptional items	(892.96)	(327.61)
Adjustments for :		
Interest (net)	322.60	255.04
Unrealised Foreign Exchange Loss / (Gain)	(3.66)	(3.00)
(Profit) / Loss on sale of assets (net)	-	(0.16)
Depreciation	688.77	810.92
Operating Profit before Exceptional items & Working Capital changes	114.74	735.17
Write-back of earlier years' excess depreciation charged now reversed	-	339.71
Trade & other receivables	(360.96)	(652.39)
Inventories	576.32	173.99
Loans & Advances	108.62	(546.49)
Trade Payables	(523.02)	563.94
Cash generation from operations	(84.30)	613.93
Income Tax (Paid) / Refund	-	216.57
Net Cash from Operating Activities - "A"	(84.30)	830.50
B Cash flow from Investing Activities		
Purchase of fixed assets	(266.28)	(583.94)
Increase in Fixed Assets due to write-back of earlier years' excess depreciation charged, now reversed	-	(378.02)
Interest Received	45.45	37.62
Sale / deletion of fixed assets	-	0.71
(Purchase) / Repayment of investments	(1.50)	(0.59)
Net Cash used in Investing Activities - "B"	(222.33)	(924.22)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Rs. in lacs

	For the year ended 31.03.2015	For the year ended 31.03.2014
C Cash flow from Financing Activities		
Proceeds from / (reduction in) short term borrowings	1,009.85	218.62
Proceeds from long term borrowings	-	550.00
Repayment of long term borrowings	(469.70)	(282.20)
Interest paid	(368.04)	(292.66)
Dividend paid	-	-
Tax on Dividend paid	-	-
Net cash used in Financing Activities - "C"	172.11	193.76
Net increase in Cash and Cash Equivalents - A+B+C	(134.53)	100.04
Cash and Cash Equivalents as at the beginning	471.32	371.28
Cash and Cash Equivalents as at the end	336.79	471.32
Effect of exchange rate changes on cash and cash equivalents		
1. Cash & Cash Equivalents as per Balance Sheet	343.45	395.14
Unrealised Foreign Exchange Loss / (Gain)	(3.66)	(3.00)
	339.79	392.14
Unrealised Foreign Exchange Loss / (Gain) as on 1st April	(3.00)	79.18
Cash & Cash Equivalents as per Cash Flow Statement	336.79	471.32

2 The above statements have been prepared in indirect method except in case of interest, dividend and direct taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets and liabilities.

3 Cash and Cash Equivalent represent Cash and Bank balances only

See Significant Accounting Policies and accompanying Notes to the Financial Statements.

K RAMESH
Director

T KANNAN
Director

K S RANGANATHAN
Director

As per our Report Annexed
for SUNDARAM & SRINIVASAN
Chartered Accountants
(FRN 004207 S)

K S D SAMBASIVAM
Director

KRISHNA MAHESH
Managing Director

Place : Madurai
Date : May 22, 2015

S RAMABADRAN
Chief Financial Officer & Company Secretary

P MENAKSHI SUNDARAM
Partner
Membership No.217914

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The books of accounts are maintained on accrual basis as a going concern.

b) Valuation of Inventories

Inventories other than Finished Goods are valued at cost on Weighted average basis. Finished goods are valued at cost or net realisable value whichever is lower. Work-in-progress is valued at raw material cost plus cost of conversion excluding interest.

c) Cash flow statement

Cash Flow Statement has been prepared under "Indirect Method".

d) Depreciation

Depreciation has been charged on Useful Life of assets basis at the rates prescribed under Schedule II to the Companies Act, 2013.

e) Revenue recognition

The sales include sale of products manufactured, bought out components and scrap sales but are net of trade discounts and exclusive of sales tax / VAT where applicable. Interest income is recognised on a time proportion basis. Insurance claims are recognised on certainty of realisation.

f) Fixed assets

Fixed assets are stated at cost less depreciation. All cost relating to the acquisition and installation of fixed assets are capitalized. Interest on loans availed for acquiring fixed assets is capitalized only upto the date the assets are put to use.

g) Foreign currency transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Transactions in foreign exchange, which are covered by forward contracts, are accounted at the contracted rate, the difference between the forward rate and the exchange rate at the date of transaction being recognized in the profit and loss statement. Foreign exchange transactions, which are outstanding as at the year-end and not covered by the forward contracts, are translated at the year-end exchange rate. Gains and losses arising on account of such revisions are reflected in the profit and loss statement.

h) Derivatives

The Company deals in derivative instruments, viz., forward contracts, to hedge its exposures against movements in parity rates of the currencies. The use of these forward contracts to some extent reduces the impact arising out of the adverse movement of currencies. The losses / gains, if any, arising under the contracts which are not closed as of the year-end, are recognized in the accounts based on Accounting Standards AS-1, AS-11 and AS-30 as well as the press note issued by the Institute of Chartered Accountants of India.

i) Investments

Investments are accounted at cost.

j) Retirement benefits

Company's contribution to provident fund, superannuation fund and gratuity fund are made to the respective Trusts and charged to the profit and loss statement. Provision for leave salary in respect of encashable leave has been provided for according to the service rules of the Company based on actuarial valuation. The necessary disclosures as per Revised AS 15 have been made as part of Notes on Accounts.

k) Borrowing cost

Borrowing cost has been treated in accordance with the Accounting Standard on Borrowing Cost (AS – 16) issued by the Institute of Chartered Accountants of India.

NOTES ON FINANCIAL STATEMENTS (Contd.)

l) Excise duty

Excise duty in respect of closing inventory of finished goods is included as part of inventory. The amount of CENVAT credits in respect of materials consumed is deducted from the cost of materials consumed.

m) Segment reporting

The operations of the Company relate only to one segment viz., friction materials which is covered in this report.

n) Related party transactions

The information on related party transactions furnished in this report was compiled based on the guidelines issued by The Institute of Chartered Accountants of India under Accounting Standard on Related Party Transactions (AS –18).

o) Leases

The Company has entered into a lease agreement for acquiring land which is exempt from the coverage of Accounting Standard 19 on Lease.

p) Taxes on income

Provision for income tax is made on the basis of estimated taxable income for the year. Deferred tax resulting from timing differences between the book and the tax profits is accounted at the current rate of tax to the extent that the time differences are expected to crystallise. Deferred tax asset and liability are set off and net amount is shown in the Balance Sheet.

	As at 31.03.2015	Rs. in lacs As at 31.03.2014
2. SHARE CAPITAL		
Authorised		
50,00,000 (PY-50,00,000) equity shares of Rs. 10/- each	500.00	500.00
Issued, Subscribed and Paid-up		
39,34,575 (PY - 39,34,575) equity shares of Rs.10/- each fully paid-up	393.46	393.46

- The Company has issued only one class of shares referred to as equity shares having a par value of Rs. 10/-.
- Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian Rupees.
- Except interim dividend which is declared and paid based on the decision of the Board of Directors, all other dividends are proposed by the Board of Directors and paid on approval of the shareholders at the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the last five years immediately preceding the date of the Balance Sheet, the Company has not issued any shares as bonus shares or without payment being received in cash nor has bought back any shares.

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

- g) Following are the shareholders holding more than 5% equity shares and the number of equity shares held by each of them:

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares held	% of total shares	No. of shares held	% of total shares
T V Sundram Iyengar and Sons Private Limited	552,955	14.05	552,955	14.05
Southern Roadways Limited	478,500	12.16	478,500	12.16
Mahesh K	395,842	10.06	395,842	10.06
Sundaram Industries Private Limited	253,835	6.45	253,835	6.45

Rs. in lacs

3. RESERVES AND SURPLUS

a) Capital Reserves

i) Share premium account

As per last Balance Sheet

1,700.43

1,700.43

ii) Reissue of forfeited shares

As per last Balance Sheet

0.03

0.03

Total (i + ii)

1,700.46

1,700.46

b) Revenue Reserves

i) General Reserve - I

As per last Balance Sheet

1,224.97

1,224.97

Transferred from Surplus

–

–

1,224.97

1,224.97

ii) General Reserve - II

As per last Balance Sheet

5,338.19

5,738.19

Transferred from / (to) Surplus

(1,475.00)

(400.00)

Adjustment for Depreciation as on 01.04.2014 in compliance with Schedule II of Companies Act, 2013

(218.78)

–

3,644.41

5,338.19

iii) Surplus from Statement of Profit And Loss

As per last Balance Sheet

2.09

123.73

Profit / (Loss) for the year

(1,454.74)

(521.64)

(1,452.65)

(397.91)

Transfer to General Reserve I

–

–

Transfer (to) / from General Reserve II

1,475.00

400.00

Proposed dividend

–

–

Tax on dividend including surcharge and cess

–

–

22.35

2.09

Total (i+ii+iii)

4,891.73

6,565.25

6,592.19

8,265.71

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015	Rs. in lacs As at 31.03.2014
4. LONG-TERM BORROWINGS		
Secured Borrowings		
Term Loan from Banks		
a) From Export-Import Bank of India secured by exclusive charge on the movable and immovable fixed assets financed out of the Term Loan and a first charge on the land situated at Mahindra World City, SEZ, Kancheepuram District near Chennai and repayable in 20 quarterly instalments ending during 2016-17	264.15	546.35
b) From State Bank of India, Industrial Finance Branch, Chennai secured by first charge on fixed assets created out of the Corporate Loan repayable in 16 quarterly instalments ending during March 2018	500.00	750.00
	<u>764.15</u>	<u>1,296.35</u>
5. DEFERRED TAX LIABILITIES (NET)		
a) Deferred Tax Liability		
On account of depreciation	1,274.45	1,353.65
b) Deferred Tax Asset		
On account of employee benefits	76.43	72.88
	<u>1,198.02</u>	<u>1,280.77</u>
6. LONG-TERM PROVISIONS		
On account of employee benefits	72.87	78.04
	<u>72.87</u>	<u>78.04</u>
7. SHORT-TERM BORROWINGS		
Loans and Advances from a Bank:		
Cash Credit and Export Packing Credit from State Bank of India secured by first charge on present and future current assets and extension by way of second charge on other fixed assets - present and future (excluding vehicles)	3,764.88	2,755.03
	<u>3,764.88</u>	<u>2,755.03</u>
8. TRADE PAYABLES		
Sundry creditors	2,273.39	2,299.72
	<u>2,273.39</u>	<u>2,299.72</u>
Included in Sundry Creditors is an amount of Rs.479.38 lakhs (PY – Rs.791.69 lakhs) due to micro enterprises and small enterprises (based on information available with the Company).		

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015	Rs. in lacs As at 31.03.2014
a) Principal amount remaining unpaid	479.38	791.69
b) Interest due thereon	-	-
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid 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 the Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid	-	-
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	-	-
9. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debt:		
i. From Export-Import Bank of India referred to in 4(a) above	282.20	282.20
ii. From State Bank of India referred to in 4(b) above	312.50	250.00
b) Advances from customers	11.92	5.73
c) Interest accrued but not due on loans	-	3.32
d) Unclaimed dividend	10.44	13.80
	<u>617.06</u>	<u>555.05</u>
10. SHORT-TERM PROVISIONS		
a) Provision for employee benefits	60.90	44.89
b) Provision for expenses	1,113.12	1,105.39
c) Provision for Tax (net of Advance Tax)	827.51	187.88
d) Provision for Dividend	-	-
e) Provision for Tax (including surcharge & cess) on dividend	-	-
	<u>2,001.53</u>	<u>1,338.16</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

Tangible Assets

Rs. in lacs

Description	GROSS BLOCK						DEPRECIATION/AMORTISATION					NET CARRYING VALUE		
	Opening Balance	Earlier period's Adjustments	Additions	Acquisition through Business combination	Disposals	At the end of the year	Opening Balance	Write-back of earlier years' excess depreciation charged	For the Year	Adjusted against Retained Earnings	On disposals of impairment Loss for the year	At the end of the year	As at 31.03.2015	As at 31.03.2014
Land - Freehold - Leasehold	133.66	-	-	-	-	133.66	-	-	-	-	-	-	133.66	133.66
Buildings	322.94	-	-	-	-	322.94	26.19	3.26	-	-	-	29.45	293.49	296.75
Plant & Equipment	2,169.91	-	6.90	-	-	2,176.81	800.02	55.58	-	-	-	855.60	1,321.21	1,369.96
Furniture & Fixtures	14,036.18	-	246.47	-	-	14,282.65	7,250.36	596.75	180.10	-	-	8,027.21	6,255.44	6,785.81
Office Equipments	125.98	-	2.13	-	-	128.11	97.91	10.25	2.56	-	-	110.72	17.39	28.07
Others - Computers	125.61	-	3.92	-	-	129.53	67.28	13.15	28.13	-	-	108.56	20.97	58.33
Vehicles	214.38	-	6.86	-	-	221.24	202.98	6.23	6.38	-	-	215.59	5.65	23.28
Total	57.93	-	-	-	-	57.93	26.60	3.55	1.61	-	-	31.76	26.16	19.38
	17,186.59	-	266.28	-	-	17,452.87	8,471.34	688.77	218.78	-	-	9,378.89	8,073.97	8,715.24
Intangible asset - Licence Fees for Windows software application	21.02	-	-	-	-	21.02	21.02	-	-	-	-	21.02	-	-
Previous Year	16,646.06	(38.32)	583.94	-	5.10	17,186.58	8,042.83	810.92	-	4.39	-	8,471.33	8,715.24	-

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015	Rs. in lacs As at 31.03.2014
12. NON-CURRENT INVESTMENTS		
Unquoted Investments - Non-Trade		
a) Investments in equity instruments:		
i. 5,939 equity shares (Previous Year - 5,939 equity shares) of Rs. 10/- each fully paid up of Engineered Power Resources India Private Limited (cost Rs. 59,390/-)	0.59	0.59
ii. 1,100 equity shares (Previous Year - Nil) of Rs. 10/- each with a premium of Rs. 126/- per share fully paid up of Suryadev Alloys & Power Private Limited (cost Rs. 1,49,600/-)	1.50	-
b) Others:	2.09	0.59
500 shares (Previous Year 500 shares) of Re.1/- each fully paid up of TVS Co-operative Stores Limited (cost Rs.500/-)	0.01	0.01
	<u>2.10</u>	<u>0.60</u>
13. LONG-TERM LOANS & ADVANCES - UNSECURED AND CONSIDERED GOOD		
a) Capital Advances	195.49	198.74
b) Security Deposits	206.58	157.61
c) Other loans & advances		
i) Advances to employees	9.12	9.12
ii) Disputed Income Tax / Sales Tax paid	26.14	23.96
	35.26	33.09
	<u>437.33</u>	<u>389.44</u>
14. OTHER NON-CURRENT ASSETS		
Long-term Trade Receivables	0.22	-
	<u>0.22</u>	<u>-</u>
15. INVENTORIES		
a) Raw Materials:		
i) In stock	785.19	728.46
ii) In transit	174.62	300.30
b) Work-in-progress	222.48	184.20
c) Finished goods	1,244.59	658.31
d) Stores & spares	328.80	333.25
e) Loose tools	120.86	95.71
	<u>2,876.54</u>	<u>2,300.23</u>
Inventories other than Finished Goods are valued at cost on Weighted average basis. Finished goods are valued at cost or net realisable value whichever is lower. Work-in-progress is valued at raw material cost plus cost of conversion excluding interest.		
Provision for excise duty on Finished goods manufactured but remaining in stock at the end of the year	66.42	32.91

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015	Rs. in lacs As at 31.03.2014
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
a) More than six months	7.20	2.15
b) Others	<u>5,395.93</u>	<u>5,762.16</u>
	<u><u>5,403.13</u></u>	<u><u>5,764.31</u></u>
17. CASH AND CASH EQUIVALENTS		
a) Balances with banks		
i) On Current Account with banks	23.71	71.84
ii) On Deposit Accounts with banks with maturity less than three months from Balance Sheet Date	<u>300.00</u>	<u>300.00</u>
	323.71	371.84
iii) Cash on Hand	<u>9.30</u>	<u>9.50</u>
	<u>333.01</u>	<u>381.34</u>
b) Other Balances		
i) Earmarked balances with banks - for unclaimed dividends	<u>10.44</u>	<u>13.80</u>
	10.44	13.80
	<u><u>343.45</u></u>	<u><u>395.14</u></u>
18. SHORT TERM LOANS AND ADVANCES - UNSECURED AND CONSIDERED GOOD		
i) Prepaid Expenses	95.45	95.07
ii) Balances with Central Excise	209.04	193.60
iii) Cenvat Credit in VAT	8.88	60.01
iv) Advances for expenses	<u>227.44</u>	<u>348.64</u>
	<u>540.81</u>	<u>697.32</u>
19. REVENUE FROM OPERATIONS		
a) Sale of Products	25,261.60	26,261.69
b) Other operating revenue		
i) Export duty drawback	89.27	134.54
ii) Export incentive	17.82	104.19
iii) Scrap Sales	45.83	52.66
iv) Miscellaneous Income	<u>5.19</u>	<u>8.54</u>
	158.11	299.93
	<u>25,419.71</u>	<u>26,561.62</u>
Less Excise Duty	<u>1,768.94</u>	<u>1,899.98</u>
	<u><u>23,650.77</u></u>	<u><u>24,661.64</u></u>

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2015	Rs. in lacs Year ended 31.03.2014
20. OTHER INCOME		
a) Interest Income	45.45	37.62
b) Gain / (loss) on foreign currency transactions	52.47	212.25
c) Other Non-Operating Revenue		
i) Profit / (loss) on sale of assets (net)	-	0.16
ii) Rent	0.84	0.84
	<u>0.84</u>	<u>1.00</u>
	<u>98.76</u>	<u>250.87</u>
21. COST OF MATERIALS CONSUMED - RAW MATERIALS & COMPONENTS		
Opening Stock : Raw materials & Components	728.46	829.76
Add: Purchase of Raw Materials & Components	12,303.44	12,179.41
	<u>13,031.90</u>	<u>13,009.17</u>
Less : Closing Stock -Raw materials & Components	785.19	728.46
	<u>12,246.71</u>	<u>12,280.71</u>
Raw materials comprise of resins, glass fibre and other metals and chemicals		
22. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
a) Opening Stocks:		
i) Work in progress	184.20	177.99
ii) Finished goods	658.31	1,114.64
	<u>842.51</u>	<u>1,292.63</u>
b) Closing Stocks:		
i) Work in progress	222.48	184.20
ii) Finished goods	1,244.59	658.31
	<u>1,467.07</u>	<u>842.51</u>
Net (increase)/decrease	<u>(624.56)</u>	<u>450.12</u>
23. EMPLOYEE BENEFIT EXPENSES		
a) Salaries, wages, bonus	2,928.12	2,668.43
b) Contribution to Employee benefit funds:		
i) Provident Fund	177.82	121.89
ii) Gratuity Fund	69.32	10.57
iii) Other funds	37.73	22.85
c) Staff welfare expenses	638.52	611.13
	<u>3,851.51</u>	<u>3,434.87</u>
24. FINANCE COST		
a) Interest expense	368.04	292.66
b) Other borrowing cost	-	-
	<u>368.04</u>	<u>292.66</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2015	Rs. in lacs Year ended 31.03.2014
25. OTHER EXPENSES		
a) Stores consumed : Stores and spares		
i) Stores and Spares	640.22	590.84
ii) Loose Tools	335.08	296.57
	975.30	887.41
b) Power and Fuel	2,966.55	3,332.38
c) Rates & Taxes	169.34	82.58
d) Insurance	57.91	61.71
e) Repairs to Building	235.43	197.89
f) Repairs to Machinery	247.40	218.61
g) Other Repairs	51.95	53.84
h) Travelling expenses	238.13	245.99
i) Packing & Forwarding	1,426.42	1,252.40
j) Advertisement & Publicity	83.27	80.42
k) Managerial Remuneration	60.96	59.44
l) Sitting fees	2.85	2.35
m) Auditors' remunerations		
i) As auditors	8.43	8.43
ii) Tax Audit Fees	0.56	0.56
iii) Other services	3.26	4.67
iv) Reimbursement of expenses	0.28	0.55
	12.53	14.21
n) Postage & Telephones	58.62	59.33
o) Research & Development expenses - refer Note no. 29 (c) (ii)	616.82	612.00
p) Commission on Sales	537.40	467.57
q) Miscellaneous expenses	371.14	342.72
	<u>8,112.02</u>	<u>7,970.85</u>
26. EXCEPTIONAL ITEM		
Write-back of earlier years' excess depreciation charged now reversed based on physical verification of fixed assets and reconciliation	-	339.71
	-	<u>339.71</u>

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2015	Rs. in lacs Year ended 31.03.2014
27. EARNING PER SHARE		
Earning per share is calculated by dividing the profit attributable to shareholders by the number of equity shares outstanding during the year. The earning per share is calculated as follows:		
Profit after tax - Rs. lacs	(1,454.74)	(521.64)
Number of Equity shares	39,34,575	39,34,575
Face value per share	Rs.10	Rs. 10
Earnings per share (EPS)	Rs. (36.97)	Rs. (13.26)
28. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Estimated value of contracts remaining to be executed:		
- On Capital Account (net)	-	-
- Others	41.44	77.82
b) Income Tax liability in appeal	1,228.92	615.54
c) Liability towards Labour cases	10.86	10.86
d) Other Contingent Liabilities :		
i) Bank Guarantees for Domestic sales	75.80	113.28
ii) Bank Guarantees for purchase of third party power	105.00	43.27
iii) Letters of Credit for Bills negotiated for Export Sales	-	78.56
29. OTHER INFORMATION		
a) Imports on CIF basis:		
i) Raw Materials	2,302.85	2,239.80
ii) Components, Spare Parts etc.,	399.09	47.31
iii) Capital Goods	12.65	122.88
b) Expenditure in Foreign Currency:		
i) Royalty, Consultancy & Retainer Fee	51.94	35.18
ii) Others	257.71	255.23
c) Research & Development Expenditure on the in-house R&D facility approved by the Department of Scientific & Industrial Research, New Delhi		
i) Capital expenditure	14.63	176.91
ii) Revenue expenditure		
- Raw Material & Components consumed	23.03	16.94
- Salaries, Wages & Bonus	196.77	199.14
- Stores & Tools consumed	90.18	93.48
- Power cost	46.21	37.42
- Travelling expenses	17.55	19.78
- Product development expenses	109.04	91.96
- Other expenses	134.05	153.28
	<u>616.82</u>	<u>612.00</u>
	<u>631.45</u>	<u>788.92</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Value Rs. in lacs	%	Value Rs. in lacs	%
d) Value of imported and indigenous raw-materials, spares and components consumed during the year and their percentages to total consumption				
i) Raw Materials				
Imported - Glass Fibres & Metals	448.94	3.7%	320.35	2.6%
Imported - Chemicals & Minerals	1,054.23	8.6%	1,413.63	11.5%
Total	1,503.16	12.3%	1,733.98	14.1%
Indigenous - Glass Fibres, Resins & Metals	5,422.89	44.3%	5,314.44	43.3%
Indigenous - Chemicals & Minerals	3,444.71	28.1%	3,377.85	27.5%
Indigenous - Components & others	1,875.95	15.3%	1,854.44	15.1%
	12,246.71	100.0%	12,280.71	100.0%
ii) Spares :				
Imported	6.03	1.8%	5.80	2.0%
Indigenous	320.59	98.2%	288.55	98.0%
	326.62	100.0%	294.35	100.0%
e) Earnings in Foreign Exchange :				
i) FOB value of goods exported		10,739.48		10,698.20
ii) Exchange fluctuation on Foreign Currency A/c (Net)		52.47		212.25

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

30. RELATED PARTY DISCLOSURE AS REQUIRED BY AS - 18

- a) Description of relationship and Names of related Parties
- i) Subsidiaries None
 - ii) Associates None
 - iii) Key Management Personnel Mr Krishna Mahesh, Managing Director
Mr S Ramabadrnan, CFO & Company Secretary
 - iv) Relatives of Key Management Personnel Mr K Mahesh
Mrs Shrimathi Mahesh
Ms Shrikirti Mahesh
 - v) Enterprise with common Key Management Personnel None
 - vi) Enterprise in which relatives of Key Management Personnel have significant interest T V Sundram Iyengar & Sons Private Limited
Alagar Farms Private Limited
Alagar Resins Private Limited

Rs. in Lacs

	Nature of transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Relatives of Key Management Personnel have significant interest
a.	Purchases				3,338.25 (3,615.98)
b.	Sales				2,700.91 (1,804.31)
c.	Interest received				
d.	Services received		60.96 (59.44)	0.30 (0.35)	
e.	Rent received				0.84 (0.84)
f.	Trade Receivables				474.07 (199.25)
g.	Creditors	-			422.16 (721.06)

Figures in brackets are for Previous Year

31. DISCLOSURES REQUIRED UNDER ACCOUNTING STANDARD 15 (REVISED) "EMPLOYEE BENEFITS" NOTIFIED IN THE COMPANIES (ACCOUNTING STANDARDS) RULES 2006:

a) Defined Contribution Plan:

Contribution to Defined Contribution Plans are charged off for the year as under:

	31.03.2015	Rs. lacs
Employer's Contribution to Provident Fund	188.53	31.03.2014 137.68
Employer's Contribution to Superannuation Fund	42.19	35.05
	<u>230.72</u>	<u>172.73</u>

The Company had obtained exemption for its Provident Fund Trust under Section 17 of Employee's Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by trust vis-a-vis statutory rate.

NOTES ON FINANCIAL STATEMENTS (Contd.)

b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

	As at / Year ended 31.03.2015		As at / Year ended 31.03.2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Rs. Lacs				
c) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation as at beginning of the year	506.37	122.93	487.35	110.64
Current Service cost	30.66	14.08	30.61	14.55
Interest cost	40.51	9.35	38.99	7.25
Actuarial (gain) / loss	31.84	27.72	(8.72)	35.04
Benefits paid	(69.25)	(40.32)	(41.85)	(44.55)
Defined Benefit obligation as at end of the year	540.12	133.76	506.37	122.93
d) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	539.50	–	523.12	–
Expected return of plan assets	45.74	–	45.96	–
Actuarial gain / (loss)	–	–	–	–
Employer's contribution	64.36	40.32	12.28	44.55
Benefits paid	(69.25)	(40.32)	(41.85)	(44.55)
Fair value of plan assets at the end of the year	580.35	–	539.50	–
e) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at the end of the year	580.35	–	539.50	–
Present value of obligation as at the end of the year	540.12	133.76	506.37	122.93
Amount not recognised / recognised in Balance Sheet	40.23	133.76	33.14	122.93
Expenses recognised during the year				
Current Service cost	30.66	14.08	30.61	14.55
Interest cost	40.51	9.35	38.99	7.25
Expected return on plan assets	(45.74)	–	(45.96)	–
Actuarial (gain) / loss	31.84	27.72	(8.72)	35.04
Net cost	57.27	51.15	14.92	56.84

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

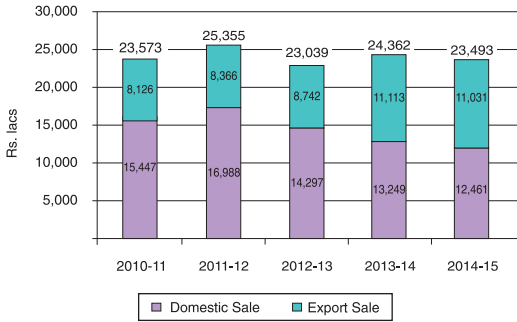
Investment details	31.03.2015		31.03.2014	
LIC Group Gratuity (Cash Accumulation) Policy	100%		100%	
f. Actuarial assumptions				
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	7.80%	8.00%	9.10%
Expected rate of return on plan assets (per annum)	8.00%	0.00%	8.00%	0.00%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by an actuary.

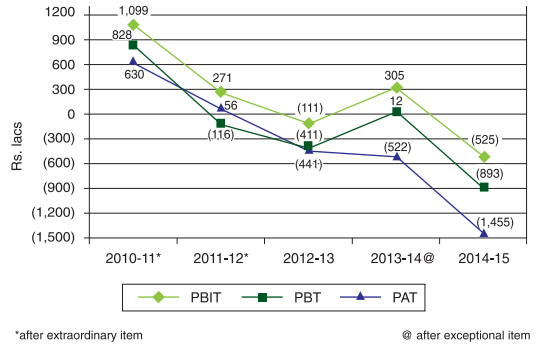
32. Figures for the previous year have been regrouped wherever necessary to conform to this year's classification.

K RAMESH Director	T KANNAN Director	K S RANGANATHAN Director	As per our Report Annexed for SUNDARAM & SRINIVASAN Chartered Accountants (FRN 004207 S)
K S D SAMBASIVAM Director	KRISHNA MAHESH Managing Director		
Place : Madurai Date : May 22, 2015	S RAMABADRAN Chief Financial Officer & Company Secretary		P MENAKSHI SUNDARAM Partner Membership No.217914

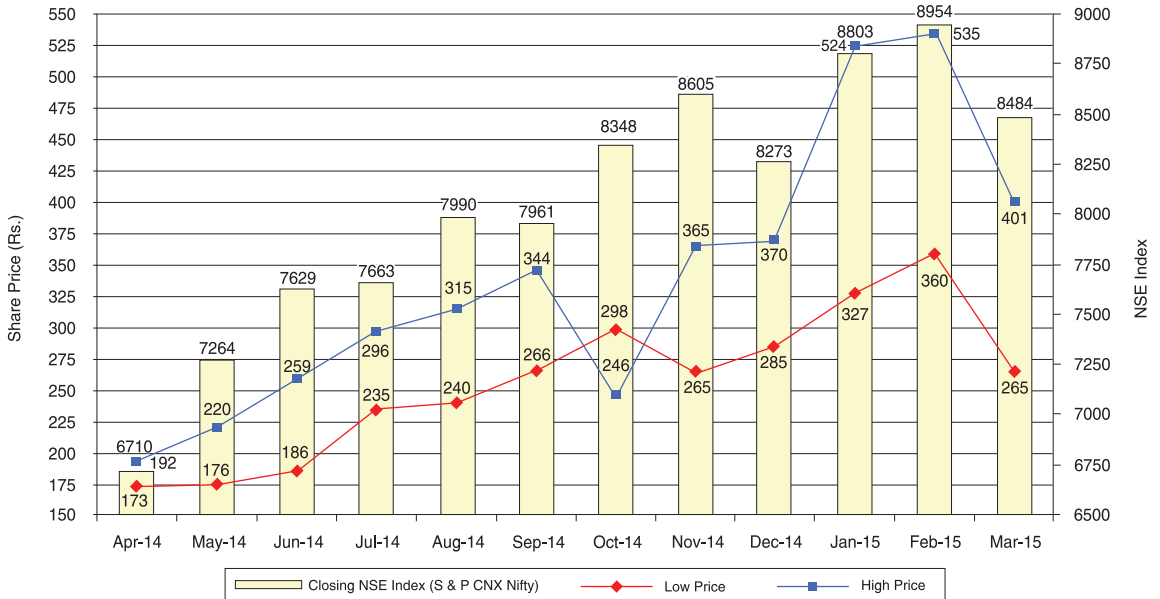
Net Sales



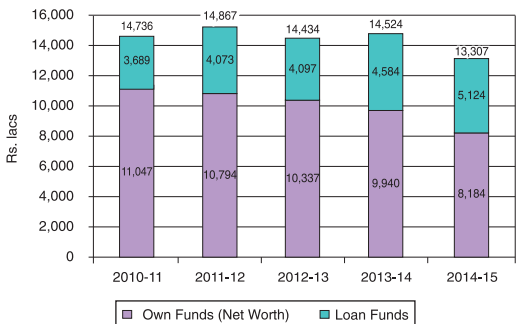
Profit Trend



Share Price Movement & NSE Index



Capital Employed



Earnings per share & Book Value

