

FORTY SECOND ANNUAL REPORT 2016



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

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,
No. 155, Anna Salai, 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 : yessendes @vsnl.net
Phone No: 044-2498 8762

SECRETARIAL AUDITOR

V Suresh
Practising Company Secretary
28, 1st Floor, Ganapathy Colony,
3rd Street, Teynampet, Chennai 600 018.
E-mail : vsureshpcs@gmail.com
Phone No: 044-24336022

REGISTERED OFFICE

180 Anna Salai, Chennai 600 006.

FACTORIES

1. Padi, Chennai, Pin code 600 050
Phone No. 044 - 26257853
Fax No. 044 - 26254770
E-mail : sbl@tvssbl.com
2. TSK Puram - Plant I & II
Mustakurichi Post, Virudhunagar District
Pin code 626 106
Phone Nos. 04566 - 250290 to 250295
E-mail: tskp@tvssbl.com; tskp2@tvssbl.com
3. Plant 4 & 5 - Mahindra World City (SEZ)
Natham Sub-Post, Chengalpet
Kancheepuram District, Pin code 603 004
Phone No. 044 - 47490005
E-mail: plant4@tvssbl.com; plant5@tvssbl.com

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 : corpserv@integratedindia.in

SHARE DEPARTMENT

At Factory Office
Padi, Chennai - 600 050
Phone No. 044 - 26257853
E-Mail : finance@tvssbl.com

WEBSITE

www.tvssbrakelinings.com

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HIGHLIGHTS OF TEN YEAR PERFORMANCE

(Rs. in lakhs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1 Sales & Other income	18,963	18,804	17,179	20,046	23,747	25,638	23,271	24,913	23,750	22,959
2 Export Sales	5,490	6,199	6,650	7,506	8,126	8,366	8,742	11,113	11,031	11,213
3 Profit before int, depn & Tax	2,899	2,719	1,843	2,336	2,431	2,264	669	776	164	875
4 Profit before extraordinary / exceptional item & tax	2,166	1,862	1,025	1,523	1,528	1,116	(411)	(328)	(893)	30
5 Profit after tax	1,377	708	451	617	630	56	(441)	(522)	(1,455)	27
6 Net fixed assets	7,441	7,462	7,113	7,181	8,522	8,803	8,608	8,715	8,074	7,730
7 Share capital	271.35	271.35	271.35	393.46	393.46	393.46	393.46	393.46	393.46	393.46
8 Reserves & Surplus	6,220	6,737	7,061	8,862	9,309	9,228	8,787	8,266	6,592	6,619
9 Net worth	6,491	7,008	7,332	9,255	9,702	9,622	9,181	8,659	6,986	7,012
10 Return on Net Worth (RONW) - PAT/Networth	21.2%	10.1%	6.2%	6.7%	6.5%	0.6%	-4.8%	-6.0%	-20.8%	0.4%
11 Return on Avg. Capital Employed (ROCE)	21.8%	11.5%	5.3%	8.1%	8.6%	1.9%	-0.6%	1.7%	-3.0%	1.8%
12 Cash earnings per share (Rs.)	68.24	47.33	38.08	32.36 [@]	32.09	20.81	8.62	7.35	(19.47)	14.77
13 Earnings per share (Rs.)	50.76	26.08	16.63	16.49 [@]	16.01	1.44	(11.20)	(13.26)	(36.97)	0.68
14 Dividend per share (Rs.)	13.00	6.00	4.00	4.00	4.00	3.00	-	-	-	-
15 Book value per share (Rs.)	239.21	258.27	270.22	235.23 [@]	246.59	244.54	233.34	220.08	177.55	178.23 *
16 Sundry Debtors - No. of days	85	81	71	72	71	67	73	78	76	78
17 Turnover / Avg Inventory (Times)	20.7	17.6	16.0	18.7	19.3	16.6	10.9	10.3	9.1	8.4
18 Current Ratio	1.45	1.47	1.66	1.73	1.72	1.49	1.47	1.32	1.06	1.05
19 R & D Expenses - as % on Net Income	1.8%	2.0%	1.5%	2.0%	1.3%	1.4%	2.7%	3.2%	2.7%	2.6%
20 Debt-Equity Ratio (=Total debts/ Networth)	0.68	0.48	0.31	0.32	0.38	0.30	0.31	0.33	0.41	0.39

[@] 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 2015-16.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Forty Second Annual General Meeting of the Company will be held at **Rani Seethai Hall, No. 603, Anna Salai, Chennai - 600 006 on Monday, the 1st August, 2016, at 12.15 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"**RESOLVED THAT** the Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss for the year ended 31st March 2016, the Cash Flow statement for the year ended 31st March 2016 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 Ramesh, Director (having DIN: 00556922), 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, (this being the last year of transitional period of three years) on such remuneration as may be determined by the Board of Directors of the Company in addition to tax audit fee, certification fee, service tax, travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

(By order of the Board)

Chennai
24th May, 2016

S RAMABADRAN
Chief Financial Officer & Company Secretary

Registered Office
180, Anna Salai,
Chennai - 600006

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

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

Mr. K Ramesh

He was born on 17th February 1939, and is on the Board of Directors of the Company since November 1982. He holds a degree in Master of Arts. He has managerial experience of over 50 years. He took his initial management training in T V Sundram Iyengar & Sons Private Limited.

He holds 1,10,081 Equity shares in the Company and is related to Mr K Mahesh, Chairman and Mr Krishna Mahesh, Managing Director.

Directorship / Membership in other Companies

Directorship	Committee Membership
<p>As Chairman:</p> <ul style="list-style-type: none"> • Sundaram Textiles Limited • TVS Sewing Needles Limited <p>As Chairman & Managing Director</p> <ul style="list-style-type: none"> • Southern Roadways Limited <p>As Director:</p> <ul style="list-style-type: none"> • T V Sundram Iyengar & Sons Private Limited • Sundaram Industries Private Limited • Sundram Fasteners Limited • Menal Farms Limited 	Nil

I. General Instructions & Information:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member of the company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power of attorney or other authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.
2. The register of members and the share transfer register will remain closed for a period of seven days from **26th July 2016** to **1st August 2016** (both days inclusive) for the purpose of AGM.
3. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members holding shares in electronic form are requested to advise change of their address to their Depository Participants. Members are also advised not to leave their demat account(s) dormant for a long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
6. As per the provisions of Section 205A of the Companies Act 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had accordingly transferred Rs.2,67,216/- being unpaid and unclaimed dividend amount pertaining to Interim Dividend for the Financial year 2007-08 on 13th July 2015 to the Investor Education and Protection Fund.

The Ministry of Corporate Affairs on 10th May 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, which is applicable to the Company. The objective of the 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 Rules, the Company has uploaded the information in respect of the Unclaimed Dividends pertaining to the Financial years from 2007 as on the date of 41st Annual General Meeting held on 6th August 2015 on website of the IEPF viz www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.tvstrakelinings.com.

7. Electronic copy of the Annual Report 2016 and Notice of 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company / Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
8. Members are requested to affix their signatures at the space provided on the Attendance slip annexed to Proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the AGM.
9. Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website www.tvstrakelinings.com for download. The physical copies of such documents will also be available at the Company's office in Padi, Chennai 600 050 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. Members may send their requests to srb@tvssbl.com.
10. The business set out in the Notice of AGM will be transacted through electronic voting system. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-Voting). In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has provided facility to exercise votes through electronic voting system to members holdings shares as on **25th July 2016**, being the "Cut-Off date" fixed for determining voting rights of members entitled to participate in the e-Voting process through the e-Voting platform provided by NSDL.
11. The facility for voting through Ballot papers will also be available at the AGM and the members attending the AGM who have not cast vote by remote e-Voting shall be eligible and be able to vote at the AGM.
12. A member may participate in the AGM even after casting his / her vote through remote e-Voting but shall not be entitled to vote again.
13. Mr V Suresh, Practising Company Secretary holding certificate of practice (No.6032) issued by the Institute of Company Secretaries of India, has been appointed as the Scrutinizer to Scrutinize the voting process in a fair and transparent manner.
14. The Scrutinizer shall within a period not exceeding two working days from the conclusion of the e-Voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes in favour or against, if any forthwith to the Chairman of the Company.
15. The voting results of the Annual General Meeting will be declared and communicated to the Stock Exchanges and would also be displayed on the Company's website at www.tvstrakelinings.com

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16. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e **25th July 2016** will be considered for the purpose of availing Remote e-Voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

II. Instructions for Remote E-voting :

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:
- 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
 - 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 Annual Report [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :
- xiii. Initial password is provided on the Attendance Slip for the AGM: **EVEN** (E Voting Event Number)
USER ID PASSWORD / PIN.
 - xiv. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

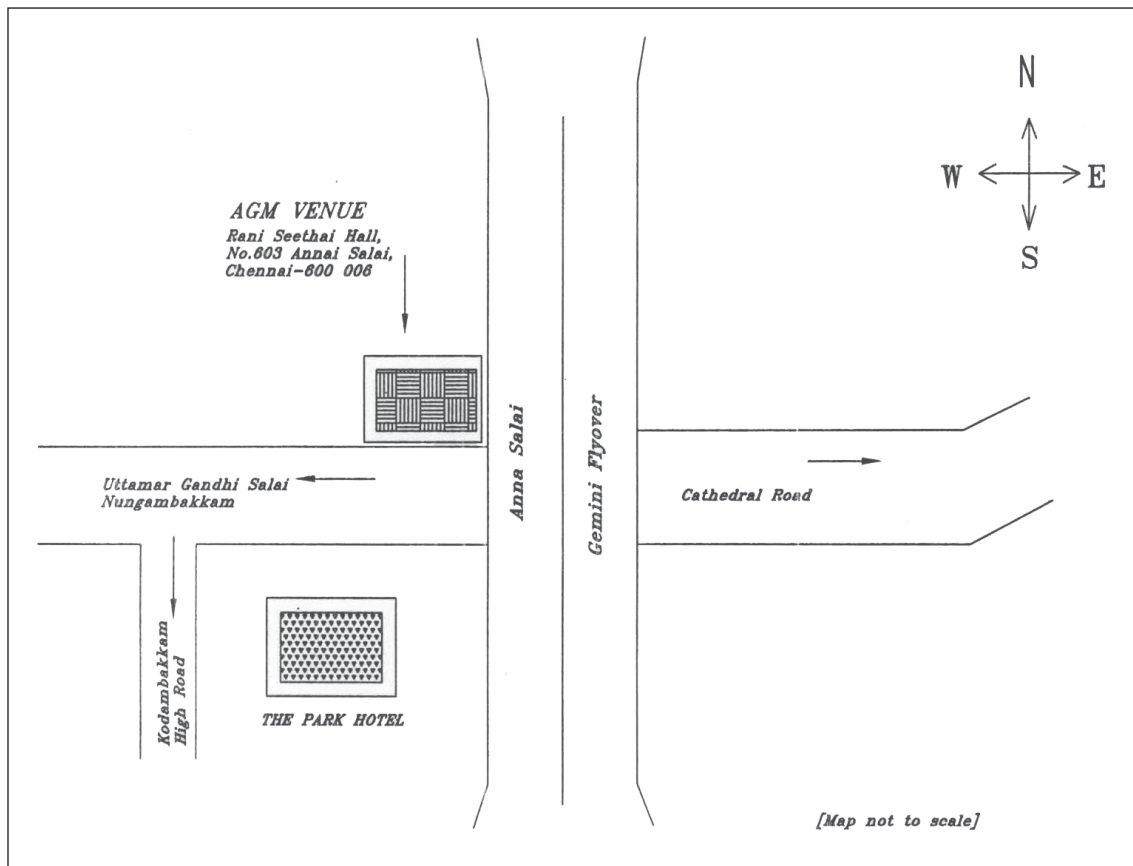
III. Other Information :

1. 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
 2. 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.
 3. 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).
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SUNDARAM BRAKE LININGS LIMITED

4. The Voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut off date **25th July 2016**.
5. The e-Voting period commences on **29th July 2016 (9.00 am)** and ends on **31st July 2016 (5.00 pm)**. During this period members of the Company holding shares either in physical form or in dematerialized form as on cut off date **25th July 2016** may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

IV. Route Map for the Venue of the AGM of Sundaram Brake Linings Limited to be held on 1st August 2016 is given below :



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Forty Second Annual Report of the Company together with audited accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

(Rs. in lakhs)

	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations	<u>22,752.01</u>	<u>23,650.77</u>
Profit before interest, depreciation and tax	874.81	163.85
Less : Interest	290.12	368.04
Profit before depreciation and tax	584.69	(204.19)
Less : Depreciation	554.39	688.77
Profit before tax and exceptional items	30.30	(892.96)
Add : Exceptional item	–	–
Profit before tax	30.30	(892.96)
Less : Provision for Taxation		
- Current Tax	–	(0.09)
- Prior Period Tax	–	(644.44)
- Deferred Tax (Liability) / Asset (net)	(3.50)	82.75
Profit after tax	26.80	(1454.74)
Add : Surplus / (Deficit) brought forward	22.35	2.09
Transfer (to) General Reserve I	–	(1475.00)
Transfer from General Reserve II	–	1475.00
Surplus Carried over	<u>49.15</u>	<u>22.35</u>

DIVIDEND

In view of small profit for the Financial year 2015-16, 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.

FLOODS IN CHENNAI

As members may be aware, there were unprecedented rainfall and floods in the 3rd week of November 2015 and 1st week of December 2015 in Chennai. The manufacturing facility in Padi, Chennai was affected due to the floods and with the timely response and restoration measures taken, the loss of production was minimised totally to 9 days. Insurance claims for damages to Machinery, Buildings and Inventory have been made and are in the process of being settled.

OPERATIONS

The net sales for the year 2015-16 were at Rs 227.52 crores as against Rs.236.51 crores in the previous year.

Your Company had to face the following challenges in 2015-16 :

1. Sales to OE customers remained subdued with marginal decline of about 4% over previous year.
2. Additional burden on account of wage hike for workmen due to long term wage settlements for workmen in Padi, TSK Plant 1 & Plant 2.

However there was relief in the expenditure on fuel on account of continuous decline in price of furnace oil due to fall in crude prices. Steps taken to reduce consumption of power and fuel for operations also continue to yield favourable results.

EXPORTS

Your company continued its thrust in the export market segment and its focus for meeting the expectations of overseas customers in terms of timely delivery and quality.

Net Foreign Exchange earned by your company in the year under review was Rs. 82.22 crores as against Rs.77.68 crores in 2014-15.

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 up to 31st March 2018.

Your Company continues to take steps for adding new customers and new products in export market.

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 recognition is valid up to 31st March 2018.

Your Company continues to give thrust for development of new products, viz., Commercial Vehicle Linings, Passenger Vehicle Linings & 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 major portion next to Raw Material costs & Employees' costs.

The total expenditure for R&D incurred in 2015-16 was Rs.5.94 crores as against Rs.6.31 crores in the previous year.

OUTLOOK FOR 2016-17

The Indian Economy is predicted to grow by 7.5% to 8% in 2016-17. While the IMD has predicted a good monsoon, its delayed arrival is a matter of concern. If the economy grows as predicted & the monsoon is good, the automotive sector should prosper and the company may be expected to do well.

PUBLIC DEPOSITS

Your Company does not hold any deposit from the public.

BOARD MEETINGS

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

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

Nomination and Remuneration Committee of the Board of Directors met two times during the year and Independent Directors had their meeting one time during the year.

DIRECTORS

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

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from all Independent Directors 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) of the Act. The format of the Disclosure is given as Annexure I.

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of Vigil mechanism is available on the Company's website www.tvstrakelinings.com.

MATERIAL CHANGES & COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year (FY 2015-16) of the Company to which the financial statements relate and date of the report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. 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;
3. 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;
4. that they had prepared the annual accounts on a going concern basis;
5. 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
6. 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 AND 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 of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form No. MGT 9 as a part of this Annual Report is given in Annexure II.

STATUTORY AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai were appointed as Statutory Auditors for a transitional period of 3 years in the Annual General Meeting held on 1st August 2014 subject to the approval and ratification by the shareholders at each annual general meeting during the transitional period. The Company has obtained certificate under Section 141 of the Companies Act 2013 conveying their eligibility for re-appointment. The Audit Committee and the Board reviewed their eligibility and recommended the ratification of the Re-appointment for Third year from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting as Auditors of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act 2013 read with Rule 9 of 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 2015-16 is annexed to this report as 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.

Not applicable as there are no qualifications in Statutory Auditors' Report and in Secretarial Auditors' report.

COST AUDIT

Cost audit is not applicable to the Company from the Financial Year 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken during 2015-16:
- Steps taken for reduction of Electrical energy consumption for various operations by reducing the running time of motors in specific areas of operations.
 - Appropriate reduction of motor horse power was done after required study, which has helped in reducing the Electrical energy consumption and power cost.
- (b) Additional proposals implemented for reduction of Consumption of energy:
- Replacement of the Sodium Vapor Lamps (SVL) outside the factory with Compact Fluorescent Lamps (CFL), wherever required, was carried out during the year.
 - Steps taken in reducing heat loss in operations by reducing the travel length of pipes carrying hot oil, thereby reducing the fuel consumption.
- (c) Impact of the above measures:
The measures taken above have helped in reducing electrical energy and Fuel 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

- (a) Developed and obtained OEM approval for Drum Brake Lining for Heavy Commercial vehicle application.
- (b) Developed and obtained OEM approval for Drum Brake Lining for Passenger vehicle application.
- (c) Developed and obtained OEM approval for New grade Woven clutch facings.

(2) Benefits derived as a result of the above

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

(3) Future plan of action

- (a) Development of Disc pads and Drum brake linings for various new vehicle application for Domestic OEM & Export Market.
- (b) Development of Driver Experience of Friction CONditions (DEFCON) project - Android based software for smart phone (Vehicle data acquisition system) development and collecting field data for understanding and improving our new and existing products.

(4) Expenditure on R&D

(Rs. in lakhs)

Sl. No.	Particulars	Financial Year	
		2015-16	2014-15
a	Capital	26.00	14.63
b	Recurring	567.91	616.82
c	Total	593.92	631.45
d	Total R & D expenses as % of total turnover	2.6 %	2.7%

C. Technology absorption, adaptation and innovation

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

- a) Exposure to advance methodology for problem solving in product and process development.
- b) Process optimization for Quality Improvement.
- c) Product and Process improvement by reverse engineering the product.

2. Benefits derived as a result of the above efforts

- a) Development of products for export and domestic markets
- b) Quality up-gradation and optimal use of raw material leading to substantial savings.
- c) 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.

D. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

(Rs. in lakhs)

Sl. No.	Particulars	Financial Year	
		2015-16	2014-15
a	Foreign Exchange earned	11,226.16	10,791.95
b	Foreign Exchange used	3,004.35	3,024.23
c	Net Foreign Exchange earned (a-b)	8,221.81	7,767.72

DEPOSITS

Not applicable as the company has not accepted any deposits.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year 2015-16, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company has not given any loan (Secured or Unsecured) and had not given any guarantee or provided any security to any person.

RISK MANAGEMENT

The Risk Management policy adopted by the Board formalizes the Company's approach to overview and manage material business risks.

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(CSR)

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.

REASON FOR NOT SPENDING FOR CSR

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 2015-16.

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 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 2015-16. 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.

BOARD EVALUATION

In terms of Section 134 (3) (p) of the Companies Act, 2013 and Regulation 4(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board reviewed and evaluated its own performance from the following perspectives:

- (a) Company Performance;
- (b) Risk management;
- (c) Corporate Ethics;
- (d) Performance of the Individual Directors; and
- (e) 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 and review, noted with satisfaction of its own performance and that of its committees and individual Directors.

RATIO OF REMUNERATION OF DIRECTOR

As per Section 197 (12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the details of Ratio of Remuneration to each Director to the median employee's remuneration is furnished as Annexure VI.

PARTICULARS OF EMPLOYEES

The information on employee who was in receipt of remuneration of not less than Rs.60 lakhs during the year or Rs.5 lakhs per month during any part of the said year as required under Section 197 of the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in the Annexure VII.

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to National Stock Exchange, where the company's shares are listed.

CORPORATE GOVERNANCE

Your company has taken adequate steps to adhere to all the conditions laid down in SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 with respect to Corporate Governance. A report on Corporate Governance is included as a part of this annual report as Annexure VIII.

A Certificate from the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 is forming part of this Annual report.

The Managing Director and the Chief Financial officer of the Company have certified to the Board, that the financial statements and other matters are in accordance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March 2016.

ACKNOWLEDGEMENT

Your Directors wish to thank State Bank of India and 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.

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

For and on behalf of the Board

Place: Chennai

Date : May 24, 2016

K MAHESH

Chairman

KRISHNA MAHESH

Managing Director

ANNEXURE INDEX

Annexure No.	Details of annexure
I	Specimen copy of Declaration From Independent Directors on Annual Basis
II	Extract of Annual Return in MGT-9
III	Secretarial Audit Report
IV	Annual Report on CSR
V	Related Party Transactions
VI	Ratio of Remuneration of Director
VII	Particulars of Employees
VIII	Corporate Governance Report

ANNEXURE - I

SPECIMEN COPY OF DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

M/s SUNDARAM BRAKE LININGS LIMITED

Dear Sir(s)

I undertake to comply with the conditions laid down in the Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of Independence and in particular :

1. 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 relationship / 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.
2. 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.
3. 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 :
 - (a) the statutory audit firm or the internal audit firm that is associated with the company and
 - (b) the legal firm(s) and consulting firm(s) that have a material association with the company
4. 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.
5. I further declare that I will
 - (a) adhere to the standards as set out in the Code for Independent Directors as provided under Schedule IV of the Act;
 - (b) furnish such declaration at the first meeting of the Board in every financial year or whenever there is any change in the circumstances, which may affect my status as an Independent Director, stating that I meet or do not meet the criteria of independence in terms of the aforesaid provisions of the statutes.

Thanking you,

Date :
Place :

Yours Faithfully,
Name
(Independent director)

ANNEXURE - II
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial year ended on 31st March 2016

[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:

CIN	L34300TN1974PLC006703
Registration Date	05.09.1974
Name of the Company	Sundaram Brake Linings Limited
Category / Sub-category of the Company	Public Limited Company
Address of the Registered office and contact details	180, Anna Salai, Chennai - 600 006 Mr. S Ramabadran, Chief Financial Officer & Company Secretary Phone : +91 44 26257853 Fax : + 91 44 26254770 Email : srb@tvssbl.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Integrated Enterprises (India) Limited No.1 Ramakrishna Street, Kences Towers, North Usman Road, T. Nagar Chennai - 600 017 Phone : +91 44 28140801 - 808 Fax : +91 44 28142479 Email : 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 product	NIC Code of the Product	% 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.

SUNDARAM BRAKE LININGS LIMITED

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	8,97,911	-	8,97,911	22.82	8,97,911	-	8,97,911	22.82	-
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)	25,78,784	-	25,78,784	65.54	25,78,784	-	25,78,784	65.54	-
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)	25,78,784	-	25,78,784	65.54	25,78,784	-	25,78,784	65.54	-
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	0.56	22,184	-	22,184	0.56	-
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)	77,125	948	78,073	1.98	58,009	948	58,957	1.50	-
b.	Individuals (Resident/NRI/Foreign National)									
(i)	Individual shareholders holding Nominal share Capital upto Rs. 1 Lakh	9,43,188	1,73,620	11,16,808	28.38	9,83,574	1,69,905	11,53,479	29.32	-
(ii)	Individual shareholders holding Nominal share Capital above Rs. 1 Lakh	77,305	-	77,305	1.96	67,350	-	67,350	1.71	-
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any other (specify)									
	Clearing Member	61,261	-	61,261	1.56	53,661	-	53,661	1.36	-
	Sub Total B (2)	11,58,879	1,74,568	13,33,447	33.89	11,62,594	1,70,853	13,33,447	33.89	-
	Total Public Share Holding (B) = B(1) + B(2)	11,81,063	1,74,728	13,55,791	34.46	11,84,778	1,71,013	13,55,791	34.46	-
	Total (A) + (B)	37,59,847	1,74,728	39,34,575	100.00	37,63,562	1,71,013	39,34,575	100.00	-
C	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	37,59,847	1,74,728	39,34,575	100.00	37,63,562	1,71,013	39,34,575	100.00	-

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.	T V Sundram Iyengar and Sons (P) Limited	5,52,955	14.05	0	5,52,955	14.05	0	0.00
2.	Southern Roadways Limited	4,78,500	12.16	0	4,78,500	12.16	0	0.00
3.	Mahesh K	3,95,842	10.06	0	3,95,842	10.06	0	0.00
4.	Sundaram Industries (P) Limited	2,53,835	6.45	0	2,53,835	6.45	0	0.00
5.	Alagar Farms (P) Ltd.	1,95,895	4.98	0	1,95,895	4.98	0	0.00
6.	Rajarajeswari Farms (P) Ltd.	1,77,988	4.52	0	1,77,988	4.52	0	0.00
7.	Krishna Mahesh	1,48,766	3.78	0	1,48,766	3.78	0	0.00
8.	K Ramesh	1,10,081	2.80	0	1,10,081	2.80	0	0.00
9.	Suresh Krishna	1,00,000	2.54	0	1,00,000	2.54	0	0.00
10.	Shrikirti Mahesh	54,409	1.38	0	54,409	1.38	0	0.00
11.	Shrimathi Mahesh	40,824	1.04	0	40,824	1.04	0	0.00
12.	Shrimathi Mahesh	16,588	0.42	0	16,588	0.42	0	0.00
13.	Upasana Engineering Limited	13,900	0.35	0	13,900	0.35	0	0.00
14.	Urmila Ramesh	11,049	0.28	0	11,049	0.28	0	0.00
15.	Mridula Ramesh	10,092	0.26	0	10,092	0.26	0	0.00
16.	Mala Ramesh	9,570	0.24	0	9,570	0.24	0	0.00
17.	Sundram Fasteners Investments Limited	7,800	0.20	0	7,800	0.20	0	0.00
18.	Suresh Krishna	480	0.01	0	480	0.01	0	0.00
19.	Arathi Krishna	120	0.00	0	120	0.00	0	0.00
20.	Usha Krishna	90	0.00	0	90	0.00	0	0.00

iii) Change in Promoters' Shareholding: NIL

SUNDARAM BRAKE LININGS LIMITED

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

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. BHAVNA GOVINDBHAI DESAI
PAN : ABKPD4860C

Opening Balance as on 01/04/2015	31645	0.80		
Closing Balance as on 31/03/2016			31645	0.80

2. GLOBE CAPITAL MARKET LTD
PAN : AAACG4267G

Opening Balance as on 01/04/2015	31579	0.80		
10/04/2015	4211	0.10	35790	0.91
17/04/2015	261	0.00	36051	0.91
24/04/2015	-509	-0.01	35542	0.90
01/05/2015	1117	-0.02	36659	0.93
29/05/2015	2315	0.05	38974	0.99
05/06/2015	250	0.00	39224	0.99
12/06/2015	-250	-0.00	38974	0.99
26/06/2015	-386	-0.01	38588	0.98
04/09/2015	-50	-0.00	38538	0.97
30/09/2015	-10	0.00	38528	0.97
06/11/2015	-300	-0.00	38228	0.97
20/11/2015	111	0.00	38339	0.97
27/11/2015	-111	-0.00	38228	0.97
04/12/2015	-304	-0.00	37924	0.96
11/12/2015	-2	0.00	37922	0.96
18/12/2015	150	0.00	38072	0.96
31/12/2015	-25	-0.00	38047	0.96
08/01/2016	-125	-0.00	37922	0.96
15/01/2016	-1	0.00	37921	0.96
05/02/2016	-505	-0.01	37416	0.95
Closing Balance as on 31/03/2016			37416	0.95

3. GENERAL INSURANCE CORPORATION OF INDIA
PAN : AAACG0615N

Opening Balance as on 01/04/2015	22184	0.56		
Closing Balance as on 31/03/2016			22184	0.56

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

4. TANGUTOOR UDAYARAJ
PAN : AAAPU4111A

Opening Balance as on 01/04/2015	20005	0.50		
03/04/2015	-5	0.00	20000	0.50
28/08/2015	-618	-0.01	19382	0.49
11/09/2015	-330	-0.00	19052	0.48
09/10/2015	-815	-0.02	18237	0.46
23/10/2015	-4007	-0.10	14230	0.36
30/10/2015	-4850	-0.12	9380	0.23
06/11/2015	-3511	-0.08	5869	0.14
13/11/2015	-5269	-0.13	600	0.01
20/11/2015	-319	-0.00	281	0.00
27/11/2015	-181	-0.00	100	0.00
25/03/2016	-100	-0.00	0	0.00
Closing Balance as on 31/03/2016			0	0.00

5. VIMALCHAND A
PAN : AAKPV7323D

Opening Balance as on 01/04/2015	18682	0.47		
10/04/2015	-131	-0.00	18551	0.47
17/04/2015	-472	-0.01	18079	0.45
22/05/2015	358	0.00	18437	0.46
29/05/2015	23	0.00	18460	0.46
17/07/2015	-1095	-0.02	17365	0.44
24/07/2015	-200	-0.00	17165	0.43
31/07/2015	-320	-0.00	16845	0.42
06/11/2015	-73	-0.00	16772	0.42
27/11/2015	-500	-0.01	16272	0.41
25/12/2015	-1783	-0.04	14489	0.36
31/12/2015	-2872	-0.07	11617	0.29
01/01/2016	-704	-0.01	10913	0.27
08/01/2016	-1840	-0.04	9073	0.23
15/01/2016	-1685	-0.04	7388	0.18
29/01/2016	-2	0.00	7386	0.18
Closing Balance as on 31/03/2016			7386	0.18

6. SHAILA INVESTMENT & FINANCIAL CONSULTANTS PRIVATE LTD.
PAN : AACCS8547D

Opening Balance as on 01/04/2015	14000	0.35		
Closing Balance as on 31/03/2016			14000	0.35

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 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. ATUL RAWAT

PAN : AHWPR0190H

Opening Balance as on 01/04/2015	10600	0.26		
08/05/2015	683	0.01	11283	0.28
24/07/2015	117	0.00	11400	0.29
07/08/2015	100	0.00	11500	0.29
14/08/2015	500	0.01	12000	0.30
Closing Balance as on 31/03/2016			12000	0.30

8. CYRUS SORAB PATELL

PAN : AACPP1321R

Opening Balance as on 01/04/2015	10000	0.25		
07/08/2015	-5887	-0.15	4113	0.10
14/08/2015	-4113	-0.10	0	0.00
Closing Balance as on 31/03/2016			0	0.00

9. IDICULA CHERIAN

PAN : AATPC9551H

Opening Balance as on 01/04/2015	10000	0.25		
Closing Balance as on 31/03/2016			10000	0.25

10. MILI CONSULTANTS & INVESTMENTS PVT. LTD.

PAN : AAACM6095Q

Opening Balance as on 01/04/2015	8506	0.21		
14/08/2015	-1180	-0.03	7326	0.18
21/08/2015	-349	-0.00	6977	0.17
Closing Balance as on 31/03/2016			6977	0.17

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	3,95,842	10.06	3,95,842	10.06
At the End of the year	3,95,842	10.06	3,95,842	10.06

2. Mr K Ramesh, Director

At the Beginning of the year	1,10,081	2.80	1,10,081	2.80
At the End of the year	1,10,081	2.80	1,10,081	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	0	0.00
At the End of the year	0	0.00	0	0.00

6. Mr K S Ranganathan, Director

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

7. Mr K S D Sambasivam, Director

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

8. Ms Sandhya Subramanyam, Director

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

b. Key Managerial Personnel:

1. Mr Krishna Mahesh, Managing Director

At the Beginning of the year	1,48,766	3.78	1,48,766	3.78
At the End of the year	1,48,766	3.78	1,48,766	3.78

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

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

SUNDARAM BRAKE LININGS LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,123.73	-	-	5,123.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	-	-	-	-
Total (i + ii + iii)	5,123.73	-	-	5,123.73
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	313.42	-	-	313.42
Net Change	313.42	-	-	313.42
Indebtedness at the end of the financial year				
i) Principal Amount	4,810.31	-	-	4,810.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	4,810.31	-	-	4,810.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Mr Krishna Mahesh Managing Director	Total
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	60.96	60.96
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- -	- -
5.	Others, please specify	-	-
	Total (A)	60.96	60.96
	Ceiling as per the Act	Rs.84 lakhs plus contribution to PF & Superannuation viz., Rs.106.68 lakhs	

B. Remuneration to other directors:

(in Rs.)

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	30,000	25,000	40,000	75,000	20,000	15,000	2,05,000
	Total (1)	30,000	25,000	40,000	75,000	20,000	15,000	2,05,000
7.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	10,000	10,000					20,000
	Total (2)	10,000	10,000					20,000
	Total (B)=(1+2)	40,000	35,000	40,000	75,000	20,000	15,000	2,25,000
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	Not Applicable						

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

(Rs. in Lakhs)

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	-	36.83	36.83
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total		36.83	36.83

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
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE - III
Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2015-16

[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 authorised 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 on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process 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 record maintained by M/s. Sundaram Brake Linings Limited ("the Company") for the financial year ended on 31st March 2016 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; (Upto 14th May 2015)
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (w.e.f 15th May 2015)
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable)
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable)

Other Laws specifically applicable to this Company is as follows:

- vi. Legal Metrology Act, 2009

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange. (Till 30th November 2015)
- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December 2015)

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. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent to at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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 : 12.05.2016

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

**ANNEXURE IV
ANNUAL REPORT ON CSR**

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 :

Mr. Ashok V Chowgule - Chairperson

Mr. T. Kannan - Member

Mr. K Mahesh - Member

Average Net Profit of the Company for the Last three financial years : Net Loss of Rs 431 lakhs

Prescribed CSR expenditure (Two percent of the amount as specified above) - 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 - Not applicable

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							

Give details of implementing agency : Not applicable

In case the company has failed to spend the two percent 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 net loss of Rs 431 lakhs 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

ASHOK V CHOWGULE
Chairperson - CSR Committee

T KANNAN
Member - CSR Committee

ANNEXURE - V
RELATED PARTY TRANSACTIONS

FORM No. AOC. 2

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

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 their proviso thereto

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.

Not Applicable as the company has not entered into any contract or arrangement or transactions not at arm's length basis.

2. Details of material contracts or arrangements 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
 - (f) Amount paid as advances, if any

SUNDARAM BRAKE LININGS LIMITED

(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 / arrangements / transactions including the value	Date(s) of approval by the Board	Amount paid as advances
M/s. T V Sundram Iyengar & Sons Private Limited	Sale of goods	From 01.04.2015 to 31.03.2016	Sales were made for Rs. 1574.16 lakhs	Transactions for each of the four quarters were approved by the Board in their meetings held on 06.08.2015, 31.10.2015, 05.02.2016, 24.05.2016	NIL
M/s. T V S Motor Company Limited	Sale of goods		Sales were made for Rs.890.03 lakhs		
M/s. Sundaram Industries Private Limited	Purchase of Raw Materials		Purchases of Rubber peels were made for Rs. 45.32 lakhs		
M/s. Southern Roadways Limited	Freight		Freight charges were paid for Rs. 56.83 lakhs		
M/s. Alagar Farms Private Limited	Purchase of Raw Materials		Purchases of Cashew Friction Dust were made for Rs.377.95 lakhs		
M/s. Alagar Resins Private Limited	Purchase of Raw Materials		Purchases of Resins were made for Rs.1376.51 lakhs		

All the above transactions are within the threshold limit of 10% of turnover as per the last audited financial statement of the Company and have been approved by the Audit Committee and the Board of Directors.

T KANNAN
Director

K S RANGANATHAN
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. 2.68 lacs; Ratio of the remuneration paid to MD to Median salary for FY 2015-16 is 22.75:1				
(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;	8.1%				
(iv) The number of permanent employees on the rolls of the company;	733				
(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 lakhs was paid to Mr. S Ramabadrhan, 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;	Sl. No.	Financial Year (in Rs.)			
		2015-16	2014-15	Inc / (dec)	
	1	Price Earnings Ratio	-	-	-
	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)	142.20	189.50	(25%)	
(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 justification thereof and point out if	2.8% increase in salaries other than the managerial personnel in FY 2015-16 as compared to FY 2014-15; Even though minimum remuneration payable to MD was increased to Rs. 7 lacs per month along with PF & Superannuation benefits through approval by the Shareholders effective from 06.02.2016, MD continues to draw minimum remuneration of Rs. 4 lacs per month along with PF and Superannuation benefits. Hence there was no increase in the managerial remuneration in the FY 2015-16 as compared to FY 2014-15.				

SUNDARAM BRAKE LININGS LIMITED

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 Ramabadran, 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

S.No.	Particulars	
(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 re-appointed for a period of three years effective from 06.02.2016 by the Board of Directors in their meeting held on 31 st October 2015 and the same was approved by the Shareholders by a Special Resolution through Postal Ballot on 23 rd December 2015.
(iv)	Qualifications and experience of the employee	<p>Qualifications:</p> <ul style="list-style-type: none"> 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 <p>Experience:</p> <ul style="list-style-type: none"> 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 on strategic price leadership, development of product-platform, purchasing and supplier management techniques and various other aspects of management. 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. 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. 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. e) During 2005 to 2009 he was holding the position of Executive Director in SBL. f) From 1st September 2011 onwards, he was holding the position of Chief Operating Officer in SBL till his appointment as Joint Managing Director effective from 06.02.2013.

SUNDARAM BRAKE LININGS LIMITED

(v)	Date of commencement of employment	06.02.2013
(vi)	The age of such employee	41 Years
(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	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 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. 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 currently comprises of nine Directors, in which two Directors were nominated by Promoter Company. Mr. K Mahesh, Wholetime Director of the Promoter Company is the Chairman of Sundaram Brake Linings Limited.

Mr. Krishna Mahesh, son of Mr. K Mahesh, Chairman of the Company was re-appointed as Managing Director with effect from 6th February 2016.

The Company has a Non-Executive Chairman and six Independent Directors.

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.

b) Attendance of Directors at Board Meeting and the last Annual General Meeting

Sl. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1	Mr K Mahesh	4	2	Absent
2	Mr K Ramesh	4	2	Absent
3	Mr T Kannan	4	3	Present
4	Mr P S Raman	4	2	Present
5	Mr Ashok V Chowgule	4	3	Present
6	Mr K S Ranganathan	4	4	Present
7	Mr K S D Sambasivam	4	1	Absent
8	Ms Sandhya Subramanyam	4	2	Present
9	Mr Krishna Mahesh	4	4	Present

c) **No. of Directorship / Membership in other Companies**

The names of the Directors and the details of other Chairmanship / Directorship / Committee membership of each Director as on 31st March 2016 is given below:

Sl. No.	Name	Category	Number of Directorships in other companies		Number of Committee Memberships in other companies	
			Chairman	Member	Chairman	Member
1.	Mr K Mahesh Chairman	Non-Executive	-	3	-	-
2.	Mr K Ramesh Director	Non-Executive	3	2	-	-
3.	Mr T Kannan Director	Non-Executive & Independent	2	4	-	-
4.	Mr P S Raman Director	Non-Executive & Independent	-	2	-	-
5.	Mr Ashok V Chowgule Director	Non-Executive & Independent	1	-	-	1
6.	Mr K S Ranganathan Director	Non-Executive & Independent	-	-	-	-
7.	Mr K S D Sambasivam Director	Non-Executive & Independent	-	-	-	-
8.	Ms Sandhya Subramanyam Director	Non-Executive & Independent Woman Director	-	-	-	-
9.	Mr Krishna Mahesh Managing Director	Executive & Non-Independent	-	-	-	-

Notes: (i) Other Directorship exclude foreign companies, Private Limited Companies and alternate Directorship.

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

d) **No. of Board meeting held and its date**

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors present
1	22.05.2015	9	5
2	06.08.2015	9	7
3	31.10.2015	9	4
4	05.02.2016	9	7

e) **Relationship between Directors inter-se**

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

f) **No. of Shares and Convertible instruments held by Non-Executive Directors**

Sl. No.	Name	Category	No. of Equity Shares held
1	Mr K Mahesh, Chairman	Non-Executive	3,95,842
2	Mr K Ramesh, Director	Non-Executive	1,10,081
3	Mr T Kannan, Director	Non-Executive & Independent	50
4	Mr P S Raman, Director	Non-Executive & Independent	169
5	Mr Ashok V Chowgule, Director	Non-Executive & Independent	–
6	Mr K S Ranganathan, Director	Non-Executive & Independent	–
7	Mr K S D Sambasivam, Director	Non-Executive & Independent	–
8	Ms Sandhya Subramanyam, Director	Non-Executive & Independent	–

g) **Familiarisation programme imparted to Independent Directors**

The Company had during the year, conducted Familiarisation programme for the 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.tvstrakelinings.com/Investor Information/familiarisation Programme](http://www.tvstrakelinings.com/InvestorInformation/familiarisation%20Programme))

2. AUDIT COMMITTEE

(a) **Terms of reference**

The Audit Committee assists the board in the dissemination of financial information and in overseeing the financial and accounting process in the Company. The terms of reference of the Audit Committee covers all matters specified in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and also as per 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 on 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 notes 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.

(b) **Composition of the Committee**

The Audit Committee comprised of the following Directors for the year ended 31st March 2016.

Sl. No.	Name	Position
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

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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 6th August 2015.

(c) Meetings and Attendance

The committee met four times viz., 22nd May 2015, 6th August 2015, 31st October 2015 and 5th February 2016 during the year. The attendance details of the meetings are as follows:

Sl.No.	Name	Position	No. of Meetings Attended
1	Mr. T Kannan	Chairman	3
2	Mr. P S Raman	Member	2
3	Mr. Ashok V Chowgule	Member	3
4	Mr. K S Ranganathan	Member	4
5	Mr. K S D Sambasivam	Member	1

3. NOMINATION AND REMUNERATION COMMITTEE

(a) Terms of reference

The brief description of terms of reference for :

- Appointment of the Directors and Key Managerial Personnel of the Company; and
- Fixation of the remuneration of the Directors, Key Managerial Personnel and other Employees of the Company.

This Committee is empowered to recommend for the appointment/reappointment of the 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.

(b) Composition of the Committee

The Nomination and 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.

(c) Meetings and Attendance

The Nomination and Remuneration Committee met on 22nd May 2015 and 31st October 2015 during the year. The Committee on 31st October 2015 approved and recommended the terms of Re-appointment of Mr. Krishna Mahesh as Managing Director of the Company for the period of three years with effect from February 06, 2016.

The attendance details of the meetings are as follows:

Sl. No.	Name	Position	No. of meetings attended
1	Mr. K S Ranganathan	Chairman	2
2	Mr. Ashok V Chowgule	Member	1
3	Mr. K S D Sambasivam	Member	1

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.Ramabadran, CFO & Company Secretary and Mr.G.R.Chandramouli, President (Marketing & Market Development) 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 Agent. The committee met Four times during the year 2015-16. The Committee approved the transfer of 501 shares in physical form during the FY 2015-16.

No. of Service requests received and redressed during the year 2015-16

Sl. No.	Nature of Service requests	No. of Service requests
1	Regarding Annual Report	–
2	Revalidation of dividend warrant	11
3	Issue of duplicate share certificate	4
4	Issue of duplicate dividend warrant	1
5	Procedure for transmission	10
6	General queries	10
7	Non-receipt of dividend	5
8	Correction in share certificate	3
9	Change of address and Bank Mandate	26
10	Unclaimed dividend	–
11	Correction in dividend cheque	–
12	Procedure for loss of share certificate	9

All the requests 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. REMUNERATION OF DIRECTORS

Of the total nine Directors, Mr. Krishna Mahesh is the Managing Director of the Company. He was re-appointed by the Shareholders for a period of 3 years from 6th February 2016 with a minimum remuneration of Rs.7 lakhs per month by Special Resolution vide Postal Ballot on December 23, 2015. Even though his remuneration was increased to Rs.7 lakhs per month, he continues to draw the remuneration of Rs.4 lakhs per month as approved by the Shareholders in 39th Annual General Meeting 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 2015-16

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	-
Total	60,96,000

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-16:

(Amount in Rs.)

Name of the Director	Meeting					
	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Independent Directors	Total
Mr. K Mahesh, Chairman	10,000	-	-	-	-	10,000
Mr. K Ramesh	10,000	-	-	-	-	10,000
Mr. T Kannan	15,000	15,000	-	-	-	30,000
Mr. P S Raman	10,000	10,000	-	-	5,000	25,000
Mr. K S Ranganathan	20,000	20,000	10,000	20,000	5,000	75,000
Mr. Ashok V Chowgule	15,000	15,000	5,000	-	5,000	40,000
Mr. K S D Sambasivam	5,000	5,000	5,000	5,000	-	20,000
Ms. Sandhya Subramanyam	10,000	-	-	-	5,000	15,000
Total	95,000	65,000	20,000	25,000	20,000	2,25,000

c) **All pecuniary relationship or transactions of the non-executive directors vis-a-vis the listed entity**

There were no pecuniary relationship or transactions of the Non-Executive directors vis- a-vis the company during the financial year ended 31st March 2016.

d) **Criteria of making payments to Non-Executive Directors**

The Company has pre-defined policy of not making any payments except sitting fees to Non-Executive Directors.

6. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

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

Financial Year	Venue	Date	Time
2012 - 13	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	1 st August, 2013	9.00 A.M.
2013 - 14	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	1 st August, 2014	10.00 A.M.
2014 - 15	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	6 th August, 2015	9.00 A.M.

Special Resolution passed in the Previous three Annual General Meetings :

AGM	Subject
39 th 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 6 th February 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.
40 th 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 the 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 the 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 the 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 the 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 the 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 the Companies Act, 2013.8. Amendment of Article 41(g) in the Articles of Association of the Company under Section 14(1) of the Companies Act, 2013.
41 st AGM held on 6 th August 2015	Approval of Related Party transactions entered in the Financial year 2014-15 with M/s. Alagar Resins Private Limited for purchase of Raw material in the ordinary course of business.

Details of Special Resolution passed through Postal Ballot during the year 2015-16:

The Resolution for Re-appointment of Mr. Krishna Mahesh, as Managing Director of the Company for a period of 3 years with effect from 6th February 2016 was passed by the Shareholders through Postal Ballot and e-Voting process. Mr. V Suresh, Practising Company Secretary, Chennai was appointed as Scrutinizer and conducted the postal ballot exercise. The Scrutinizer's report dated 21st December 2015 had been uploaded in the Company's website.

Details of voting pattern

Particulars	Total Valid votes	Votes in favour of the Resolution			Votes against the Resolution			Rejected votes	Votes Abstained
		No. of shareholders	No. of Shares	% of total number of valid votes cast	No. of shareholders	No. of Shares	% of total number of valid votes cast		
e-Voting	34,717	24	34,717	100	-	-	-	-	-
Postal Ballot	24,52,004	244	24,44,038	99.7	11	7,966	0.3	-	-
TOTAL	24,86,721	268	24,78,755	99.7	11	7,966	0.3	-	-

No special resolution requiring a postal ballot is being proposed at the ensuing AGM.

7. MEANS OF COMMUNICATION

- The unaudited quarterly / Audited yearly financial results of the company are published in the leading English Newspaper viz., Financial Express and the same were published in Tamil version in Dinamani. These are not sent individually to the shareholders.
- The company's website address is www.tvbrakelinings.com. The website contains basic information about the company and such other details as required under the Listing Regulations. The Company ensures periodical update of its website. The Company has designated the e-mail ID: srb@tvssbl.com to enable the shareholders to register their grievances.
- Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, corporate Governance report are filed with National Stock Exchange in NEAPS within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts during the year.

8. GENERAL SHAREHOLDER INFORMATION

<p>(a) 42nd Annual General Meeting</p> <ul style="list-style-type: none"> - Date and Time - Venue 	<p>1st August, 2016, 12.15 P.M Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006.</p>
<p>(b) Financial Calendar - (Tentative)</p> <p>Annual General Meeting of the next year</p> <ul style="list-style-type: none"> - Unaudited financial results for the 1st quarter ending 30th June 2016 - Unaudited financial results for the 2nd quarter ending 30th September 2016 	<p>Before 30th September, 2017</p> <p>Any day before 14th August 2016</p> <p>Any day before 14th November 2016</p>

	- Unaudited financial results for the 3 rd quarter ending 31 st December 2016	Any day before 14 th February 2017
	- Audited Financial results for the year ending 31 st March 2017	Any day before 30 th May 2017
(c) Dividend payment date:		
	- Dividend	Not Applicable
(d) Book Closure Period		26 th July 2016 to 1 st August 2016
(e) Listing of Equity Shares & Stock Code		1 National Stock Exchange Code : SUNDRMBRAK EQ 2 Bombay Stock Exchange (Permitted Security) Scrip Code : 590072
(f) Demat ISIN Number		INE 073D01013
Listing fee has been paid to NSE for the year 2016-17		

(g) Share Market Price Data of Financial Year 2015-16:

Month	National Stock Exchange	
	High	Low
April, 2015	368.95	291.00
May	329.80	285.20
June	311.80	253.00
July	295.90	256.95
August	309.10	215.00
September	243.90	209.30
October	245.80	223.10
November	311.00	231.10
December	326.90	280.00
January, 2016	319.70	242.00
February	289.80	211.15
March	269.70	222.00

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 from 28th December 2005. This has resulted in increase in the liquidity of the shares traded in the exchanges.

(h) 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.

(i) Share / Security Transfer System:

Since 1st April 2003, share / security transfers in physical form is also processed by M/s. Integrated Enterprises (India) Limited, Chennai. Normally share transfers are processed within 15 days from the date of receipt, subject to the documents being valid in all aspects. At the meeting of the Board of Directors held on 29th April 2002, the power to transfer shares has been delegated to certain authorised officials in compliance with 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 and requests for dematerialisation are confirmed within 10 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 from 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.

(j) Shareholding pattern as on 31st March 2016:

No. of shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 500	7,466	94.24	6,08,167	15.46
501 - 1000	251	3.17	1,88,623	4.79
1001 - 2000	106	1.34	1,51,260	3.84
2001 - 3000	43	0.54	1,09,733	2.79
3001 - 4000	10	0.13	34,064	0.87
4001 - 5000	10	0.13	45,324	1.15
5001 - 10000	16	0.20	109,730	2.79
10001 & above	20	0.25	26,87,674	68.31
Total	7922	100.00	39,34,575	100.00

(k) Distribution of shareholding as on 31st March 2016:

Category of Shareholders	No. of shareholders	No. of shares held	% of total shares held
Promoter Companies	7	1680873	42.72
Directors & Relatives	17	898170	22.83
Mutual Funds	2	110	0.00
Banks	1	50	0.00
Insurance Companies	1	22184	0.56
Body Corporates	103	58957	1.50
Non-Resident Indians	54	9400	0.24
Clearing Member	59	53661	1.36
Public Resident Individuals	7678	1211170	30.78
Total	7922	39,34,575	100.00

(l) 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 dematerialised form.

Out of the balance 13,55,791 equity shares held by the Public (other than Promoters), 11,84,778 equity shares have been dematerialised as on 31st March 2016 accounting for 87.39%

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

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

We have no GDRs / ADRs or any convertible instrument.

(n) Plant locations:

Padi, Chennai - 600 050 Phone : +91 44 26257853 Fax : +91 44 26254770 E-mail : sbl@tvssbl.com	TSK Puram Plant I & II Mustakurichi Post Virudhunagar District Pin code 626 106 Phone : 04566 250290 - 295 E-mail : tskp@tvssbl.com tskp2@tvssbl.com	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 E-mail : plant4@tvssbl.com plant5@tvssbl.com
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(o) Registrar and Share Transfer Agents :

Effective from 1st April 2003, the Company appointed M/s.Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 as the Registrar and Share Transfer Agent (RTA) of the Company for all share related investor services.

(p) Address for correspondence:

To contact RTA for all matters relating to shares, dividends, Annual Reports	Integrated Enterprises (India) Limited 2 nd 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 26257853 Fax : +91 44 26254770 E-mail : srb@tvssbl.com

Shareholders may correspond with M/s. Integrated Enterprises (India) Limited, Chennai, the Share Transfer Agent of the company at the address given above, quoting Folio Number / Client ID.

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.

DISCRETIONARY REQUIREMENTS

As per Regulation 27(1), read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company adopted the following discretionary requirements.

1. Separate Posts of Chairperson and Chief Executive Officer
2. Reporting of Internal Auditor

DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION 2015

Regulation	Particulars	Compliance Status (Yes / No / NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary companies	N.A
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management personnel. The Code of Conduct is available on the Company’s website.

It is hereby confirmed that the Members of the Board and the Senior Management Personnel of the Company have affirmed Compliance with the respective provisions of the Code of Conduct of the Company for the year ended 31st March 2016.

Place: Chennai
Date : May 24, 2016

KRISHNA MAHESH
Managing Director

NON MANDATORY REQUIREMENTS

Request to Shareholders

Shareholders 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 unauthorised 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 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.

Shareholders 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.

Shareholders are requested to kindly note that any dividend which remains unclaimed / unencashed for a period of seven years will be transferred to Investors Education and Protection Fund - IEPF in terms of Section 205A of the Companies Act 1956. Out of the dividends declared for all the financial years including and upto the financial year ended 31st March 2007, the amount which remained unclaimed has been transferred to the IEPF as per the provision of Section 205A of the Companies Act 1956.

Due dates for transfer of Unclaimed Dividends to the IEPF is given below :

Financial Year	Dividend Reference and %	Date of Declaration	Due date for transfer to IEPF
2008-09	35 th AGM - Interim 40%	29.06.2009	02.08.2016
2009-10	36 th AGM - Interim 40%	25.02.2010	31.03.2017
2010-11	37 th AGM - 40%	27.07.2011	30.08.2018
2011-12	38 th AGM - 30%	28.07.2012	01.09.2019

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

Shareholders 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 CORPORATE GOVERNANCE

To

The Members of Sundaram Brake Linings Limited

We have examined the compliance of the conditions of Corporate Governance by Sundaram Brake Linings Limited ('the Company') for the year ended 31st March 2016, as stipulated in Clause 49 of the erstwhile Listing Agreement (up to November 30, 2015) / Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from December 1, 2015).

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 as stipulated in the said Listing Agreement / Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Agreement / Regulations.

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

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Chennai
Date : 24th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT - 2016

Industry and Company Trend

2015-16 witnessed positive developments with some of the OEMs commencing to do better over last year in their production and sales volumes.

Automobile industry annual production volumes were 239.61 lakh units for the year 2015-16 as compared to 233.58 lakh units for the year 2014-15 indicating a growth of 2.6% in volumes.

Automobile industry annual sales volumes were at 241.11 lakh units for the year 2015-16 as compared to 232.98 lakh units for the year 2014-15 indicating an overall growth of 3.5%.

The above growth was possible mainly due to higher production & sales volumes in the Commercial Vehicle Segment (Goods carrier in the M & HCV segment), Utility Vehicles and Scooters/ Scooterettes - all had a growth of over and above 10% when compared to corresponding previous year. Also growth was seen in the Passenger Vehicle segments and Commercial Vehicle Segment (Passenger carrier in M & HCV segment and both Goods and Passenger Carrier in the LCV segment). The Three Wheeler segment and part of Two Wheeler segment (Motor Cycles and Mopeds) had a marginal drop.

During the year 2015-16, the Heavy commercial segment (mainly Goods carrier) exhibited signs of pick-up with a growth of 31%, both in production volumes and sales volumes as compared to the previous year 2014-15. However the Light commercial segment has just started recovering and has registered a marginal growth of 2.8%.

Passenger car segment had a moderate growth of 6% in both production and sales volumes as compared to 2014-15.

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

(in Lakh / nos)

Vehicle Category	Vehicle Production		Growth	Vehicle sales		Growth
	2014-15	2015-16	%	2014-15	2015-16	%
M & HCV	2.69	3.41	27%	2.63	3.38	28%
LCV	4.29	4.42	3%	4.37	4.50	3%
Passenger	32.20	34.14	6%	32.24	34.44	7%
Three -wheeler	9.49	9.34	-2%	9.40	9.43	-
Two-wheeler	184.89	188.30	2%	184.33	189.37	3%
Total	233.58	239.61	3%	232.98	241.11	3%

Source : SIAM

Exports in Automobile sector for the year 2015-16 registered a marginal growth of 2% as compared to previous year 2014-15.

Your company showed a marginal decline of 4% in sales during the year 2015-16, as compared to year 2014-15, with a marginal growth of 2% in Export segment, and a negative growth of 4% in the domestic OE segment and 8% in the domestic Aftermarket segment.

Opportunities and threats

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

Entry of new Friction Material Manufacturers in organized sector had increased competitive pressures during last year, and the trend is continuing and also manufacturers, both in the organized as well as in the unorganized sector are continuing to offer low priced asbestos and non-asbestos linings for Medium & Heavy Commercial Vehicles, and this has affected your company's sales growth and margins.

In order to counter the above, Your Company has developed suitable products with new generation technology, and is in the process of re-entry with a major OEM and retrieving the lost share of business with another major OEM.

Also, as part of medium term strategy, Your Company is focusing on the two wheeler segment and Domestic Aftermarket segment

Risk and concerns

Investment in infrastructure, economic reforms and good monsoon are essential for sustaining growth of the Indian Economy.

The Indian Commercial Vehicle industry has strong correlation with the agricultural growth, infrastructure development and the mining industry and is cyclical. The Company's performance in Commercial Vehicles segment is linked to the above mentioned factors.

Competition has increased in the Friction Materials Industry due to entry of new players and expansion plans of existing ones. The Company is aware of the increasing competition and has been taking customer focused measures to remain competitive in the market place.

While the company continues to pursue cost reduction initiatives, increase in price of input materials could impact the company's profitability when they are not compensated by customers. Crude oil prices have been on the declining trend in the last financial year which helped the company in achieving significant reduction in expenditure for fuel. Reversal of this trend will impact the company by way of higher expenditure for fuel.

Internal Control System

The company continues to maintain 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 Chairman/ Managing Director of the Company and countermeasures are taken for complying with the system.

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. Your Company continues to closely monitor and focus on various cost reduction and cost control initiatives to achieve planned targets during the year.

Human Resources / Industrial Relations

Industrial Relations in all our plants remain cordial. The Company continues to review and upgrade its HR and management policies to improve performance. The total number of employees on roll as on 31st March 2016 in all the plants was 1,391.

Accounting Treatment

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

Financial and Operational performance

(Rs. in lakhs)

Particulars	Year 2015-16	Year 2014-15
Revenue from Operations	22,752.01	23,650.77
Other Income	206.76	98.76
TOTAL INCOME	22,958.77	23,749.53
Cost of material consumed	10,550.77	12,246.71
Changes in inventories of finished goods & work-in-progress	405.50	(624.56)
Employee benefit expenses	3,973.08	3,851.51
Finance cost	290.12	368.04
Depreciation and amortization expense	554.39	688.77
Other expenses	7,154.61	8,112.02
Total Expenditure	22,928.47	24,642.49
Profit before tax before exceptional item	30.30	(892.96)
Exceptional items	–	–
Profit before tax after exceptional item	30.30	(892.96)
Tax expense		
Current Tax	–	(0.09)
Prior Period Tax	–	(644.44)
Deferred Tax (liability) / asset	(3.50)	82.75
Profit / (Loss) for the Period	26.80	(1,454.74)

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, 2016, the statement of profit and loss, the cash flow statement and a summary of significant accounting policies and other explanatory information for the year then ended.

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 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 judgments 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 the 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 financial control relevant to the Company'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 Company's Internal Controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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 and 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 the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
 - g) 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.27(b) to the financial statements;
 - ii. The Company has made provisions as required under any law or accounting standards for 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: 004207 S

Place : Chennai
Date : 24th May, 2016

P MENAKSHI SUNDARAM
Partner
Membership No.217914

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraph 3 & 4 of "the order")

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information given to us, major portion of fixed assets have been physically verified by the management during the year at reasonable intervals. Certain discrepancies which were noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physically verified by the management at reasonable intervals. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, guarantees and securities and has not made any investments.
- (v) The Company has not accepted any deposits from the public.
- (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) (a) According to the records, information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, VAT, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as on 31st March, 2016 for a period of more than six months from the date they become payable.
- (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 31.03.2016 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 31.03.2016	Assessment year to which amount relates	Forum to which it relates
Income Tax Act, 1961	Income Tax	2,282.65	1,053.73	1,228.92	2008-09 to 2012-13	Income Tax Appellate Tribunal

Please refer to Note No. 27(b) on Notes on Accounts.

-
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank and Government. The company has not issued any debentures.
 - (ix) The company had not raised moneys either by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
 - (x) According to the information and explanations given to us by the management and based on audit procedures performed, no fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.
 - (xi) Managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with schedule V to the Companies Act.
 - (xii) The company is not a Nidhi company.
 - (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
 - (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
 - (xv) The company has not entered into any non cash transactions with directors or persons connected with them.
 - (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Chennai
Date : 24th May, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of Sundaram Brake Linings Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P MENAKSHI SUNDARAM
Partner
Membership No.217914

Place : Chennai
Date : 24th May, 2016

SUNDARAM BRAKE LININGS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

		(Rs. in lakhs)	
	Note No.	As at 31.03.2016	As at 31.03.2015
(I) EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
a) Share Capital	2	393.46	393.46
b) Reserves and Surplus	3	<u>6,618.99</u>	<u>6,592.19</u>
		7,012.45	6,985.65
2. Non-current Liabilities			
a) Long-Term Borrowings	4	285.00	764.15
b) Deferred Tax Liabilities (Net)	5	1,201.52	1,198.02
c) Long Term Provisions	6	<u>122.20</u>	<u>72.87</u>
		1,608.72	2,035.04
3. Current Liabilities			
a) Short-term Borrowings	7	4,018.85	3,764.88
b) Trade Payables	8	3,583.53	3,386.51
c) Other Current Liabilities	9	492.69	617.06
d) Short-Term Provisions	10	<u>443.62</u>	<u>888.41</u>
		8,538.69	8,656.86
TOTAL		<u><u>17,159.86</u></u>	<u><u>17,677.55</u></u>
(II) ASSETS			
1. Non-current Assets			
a) Fixed Assets	11		
(i) Tangible Assets		<u>7,730.46</u>	<u>8,073.97</u>
		7,730.46	8,073.97
b) Non-Current Investments	12	2.10	2.10
c) Long-term Loans & Advances	13	430.86	437.33
d) Other Non-current Assets	14	<u>0.00</u>	<u>0.22</u>
		432.96	439.65
2. Current Assets			
a) Inventories	15	2,555.79	2,876.54
b) Trade Receivables	16	5,321.86	5,403.13
c) Cash and Cash Equivalents	17	436.96	343.45
d) Short term loans and advances	18	<u>681.83</u>	<u>540.81</u>
		8,996.44	9,163.93
TOTAL		<u><u>17,159.86</u></u>	<u><u>17,677.55</u></u>
Significant Accounting Policies	1		
See Accompanying Notes to the Financial Statements			

K MAHESH
Chairman

T KANNAN
Director

ASHOK V CHOWGULE
Director

As per our Report Annexed
for SUNDARAM & SRINIVASAN

K S RANGANATHAN
Director

K S D SAMBASIVAM
Director

KRISHNA MAHESH
Managing Director

Chartered Accountants
(FRN 004207 S)

Place : Chennai
Date : May 24, 2016

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, 2016

		Note No.	For the Year ended 31.03.2016	(Rs. in lakhs) For the Year ended 31.03.2015
I.	Revenue from operations	19	22,752.01	23,650.77
II.	Other income	20	206.76	98.76
III.	Total Revenue		<u>22,958.77</u>	<u>23,749.53</u>
IV.	Expenses			
	Cost of materials consumed	21	10,550.77	12,246.71
	Changes in inventories of finished goods & work-in-progress	22	405.50	(624.56)
	Employee benefit expenses	23	3,973.08	3,851.51
	Finance cost	24	290.12	368.04
	Depreciation and amortisation expense	11	554.39	688.77
	Other expenses	25	7,154.61	8,112.02
	Total expenses		<u>22,928.47</u>	<u>24,642.49</u>
V.	Profit / (Loss) before exceptional and extra-ordinary items and tax		30.30	(892.96)
VI.	Exceptional items		-	-
VII.	Profit / (Loss) before extra-ordinary items and tax (V - VI)		<u>30.30</u>	<u>(892.96)</u>
VIII.	Extra-ordinary items		-	-
IX.	Profit / (Loss) Before Tax (VII - VIII)		<u>30.30</u>	<u>(892.96)</u>
X.	Tax expense:			
	- Current Tax		-	(0.09)
	- Prior Period Tax		-	(644.44)
	- Deferred Tax Liability (net)		3.50	-
	- Deferred Tax Asset (net)		-	82.75
XI.	Profit / (Loss) for the period from continuing operations		<u>26.80</u>	<u>(1,454.74)</u>
XII.	Profit / (Loss) for the period		26.80	(1,454.74)
XIII.	Earnings per equity share - Basic and Diluted Rs. (Face Value Rs. 10)	26	0.68	(36.97)

Significant Accounting Policies

See Accompanying Notes to the Financial Statements

K MAHESH Chairman	T KANNAN Director	ASHOK V CHOWGULE Director	As per our Report Annexed for SUNDARAM & SRINIVASAN Chartered Accountants (FRN 004207 S)
K S RANGANATHAN Director	K S D SAMBASIVAM Director	KRISHNA MAHESH Managing Director	P MENAKSHI SUNDARAM Partner Membership No.217914
Place : Chennai	S RAMABADRAN Chief Financial Officer & Company Secretary		
Date : May 24, 2016			

SUNDARAM BRAKE LININGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended 31.03.2016	(Rs. in lakhs) For the year ended 31.03.2015
A Cash flow from Operating Activities:		
Net Profit / (Loss) Before Tax	30.30	(892.96)
Net Profit Before Tax and Exceptional items	30.30	(892.96)
Adjustments for :		
Interest (net)	251.54	322.60
Unrealised Foreign Exchange Loss / (Gain)	9.44	(3.66)
Depreciation	554.39	688.77
Operating Profit before Exceptional items & Working Capital changes	845.67	114.74
Trade & other receivables	(81.49)	(360.96)
Inventories	(320.75)	576.32
Loans & Advances	465.58	98.18
Trade Payables	331.11	(523.02)
Cash generation from operations	1,240.11	(94.74)
Income Tax (Paid) / Refund	(400.00)	-
Net Cash from Operating Activities - "A"	840.11	(94.74)
B Cash flow from Investing Activities		
Purchase of fixed assets	(210.87)	(266.28)
Interest Received	38.58	45.45
(Purchase) / Sale of investments	-	(1.50)
Net Cash used in Investing Activities - "B"	(172.29)	(222.33)
C Cash flow from Financing Activities		
Proceeds from / (reduction in) short term borrowings	253.97	1,009.85
Repayment of long term borrowings	(594.70)	(469.70)
Interest paid	(290.12)	(368.04)
Net cash used in financing activities - "C"	(630.85)	172.11
Net increase in Cash and Cash Equivalents - A+B+C	36.97	(144.97)
Cash and Cash Equivalents as at the beginning	326.35	471.32
Cash and Cash Equivalents as at the end	363.32	326.35
Effect of exchange rate changes on cash and cash equivalents		
1 Cash & Cash Equivalents as per Balance Sheet	357.54	333.01
Unrealised Foreign Exchange Loss/ (Gain)	9.44	(3.66)
	366.98	329.35
Unrealised Foreign Exchange Loss / (Gain) as on 1 st April	(3.66)	(3.00)
Cash & Cash Equivalents as per Cash Flow Statement	363.32	326.35

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 MAHESH Chairman	T KANNAN Director	ASHOK V CHOWGULE Director	As per our Report Annexed for SUNDARAM & SRINIVASAN Chartered Accountants (FRN 004207 S)
K S RANGANATHAN Director	K S D SAMBASIVAM Director	KRISHNA MAHESH Managing Director	P MENAKSHI SUNDARAM Partner Membership No.217914
Place : Chennai	S RAMABADRAN Chief Financial Officer & Company Secretary		
Date : May 24, 2016			

NOTES ON FINANCIAL STATEMENTS

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 costs 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, if any, are accounted at the contracted rate., Foreign exchange transactions, which are outstanding as at the year-end are translated at the year-end exchange rate. Exchange gains and losses arising on account of differences in actual realisation and year end translation are reflected in the profit and loss statement.

h) Derivatives

The losses / gains, if any, arising under the forward contracts, if any, taken 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.

SUNDARAM BRAKE LININGS LIMITED

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 is 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. Provision for Income Tax made in earlier years net of payment are retained even after favourable appeal orders if there is uncertainty of final outcome of disputed issues pending in further appeals.

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

(Rs. in lakhs)

As at

31.03.2015

As at
31.03.2016

- 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.

NOTES ON FINANCIAL STATEMENTS (Contd.)

- f) 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 31.03.2016		As at 31.03.2015	
	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 lakhs)

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

1,224.97

1,224.97

ii) General Reserve - II

As per last Balance Sheet

3,644.41

5,338.19

Transferred from / (to) Surplus

0.00

(1,475.00)

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

–

(218.78)

3,644.41

3,644.41

iii) Surplus from Statement of Profit And Loss

As per last Balance Sheet

22.35

2.09

Profit / (Loss) for the year

26.80

(1,454.74)

49.15

(1,452.65)

Transfer (to) / from General Reserve II

0.00

1,475.00

49.15

22.35

Total (i+ii+iii)

4,918.53

4,891.73

6,618.99

6,592.19

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016	(Rs. in lakhs) As at 31.03.2015
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	35.00	264.15
b) From State Bank of India, Industrial Finance Branch, Chennai secured by first charge on fixed assets specific to the Corporate Loan repayable in 16 quarterly instalments ending during March 2018	250.00	500.00
	<u>285.00</u>	<u>764.15</u>
5. DEFERRED TAX LIABILITIES (NET)		
a) Deferred Tax Liability		
On account of depreciation	1,279.32	1,274.45
b) Deferred Tax Asset		
On account of employee benefits	(77.80)	(76.43)
	<u>1,201.52</u>	<u>1,198.02</u>
6. LONG-TERM PROVISIONS		
On account of employee benefits	122.20	72.87
	<u>122.20</u>	<u>72.87</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)	4,018.85	3,764.88
	<u>4,018.85</u>	<u>3,764.88</u>

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016	(Rs. in lakhs) As at 31.03.2015
8. TRADE PAYABLES		
Sundry creditors	1,936.05	2,273.39
Others	1,647.48	1,113.12
	<u>3,583.53</u>	<u>3,386.51</u>
Included in Sundry Creditors is an amount of Rs. 456.60 lakhs (PY – Rs. 479.38 lakhs) due to micro enterprises and small enterprises (based on information available with the Company).		
a) Principal amount remaining unpaid	456.60	479.38
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 enterprises	–	–
9. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debt:		
i. From Export-Import Bank of India referred to in 4(a) above	229.15	282.20
ii. From State Bank of India referred to in 4(b) above	250.00	312.50
b) Advances from customers	5.80	11.92
c) Unclaimed dividend	7.74	10.44
	<u>492.69</u>	<u>617.06</u>
10. SHORT-TERM PROVISIONS		
a) Provision for employee benefits	16.00	60.90
b) Provision for Tax (net of Advance Tax)	427.62	827.51
	<u>443.62</u>	<u>888.41</u>

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

Tangible Assets

(Rs. in lakhs)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET CARRYING VALUE				
	Opening Balance	Additions	Acquisition through Business combination	Disposals	At the end of the year	Opening Balance	For the Year	Adjusted against Retained Earnings	On disposals	Impairment loss/ Reversal of Impairment Loss for the year	At the end of the year	As at 31.03.2016	As at 31.03.2015
Land - Freehold	133.66	-	-	-	133.66	-	-	-	-	-	-	133.66	133.66
- Leasehold	322.94	-	-	-	322.94	3.26	-	-	-	-	32.71	290.23	293.49
Buildings	2,176.81	-	-	-	2,176.81	56.45	-	-	-	-	912.05	1,264.76	1,321.20
Plant & Equipment	14,289.32	204.68	-	-	14,494.00	471.43	-	-	-	-	8,498.64	5,995.36	6,255.44
Furniture & Fixtures	121.44	-	-	-	121.44	6.28	-	-	-	-	117.00	4.44	17.39
Office Equipments	129.53	3.35	-	-	132.88	8.97	-	-	-	-	117.53	15.35	20.98
Others - Computers	221.24	2.84	-	-	224.08	5.10	-	-	-	-	220.69	3.39	5.65
Vehicles	57.93	-	-	-	57.93	2.90	-	-	-	-	34.66	23.27	26.16
Total	17,452.87	210.87	-	-	17,663.74	554.39	-	-	-	-	9,933.28	7,730.46	8,073.97
Intangible asset - Licence Fees for Windows software application	21.02	-	-	-	21.02	-	-	-	-	-	21.02	-	-
Previous Year	17,186.59	266.28	-	-	17,452.87	688.77	218.78	-	-	-	9,378.89	8,073.97	

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016	(Rs. in lakhs) As at 31.03.2015
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 - 1,100) 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	1.50
b) Others:	2.09	2.09
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>2.10</u>
13. LONG-TERM LOANS & ADVANCES - UNSECURED AND CONSIDERED GOOD		
a) Capital Advances	191.14	195.49
b) Security Deposits	209.43	206.58
c) Other loans & advances		
i) Advances to employees	4.15	9.12
ii) Disputed Income Tax / Sales Tax paid	26.14	26.14
	<u>30.29</u>	<u>35.26</u>
	<u>430.86</u>	<u>437.33</u>
14. OTHER NON-CURRENT ASSETS		
Long-term Trade Receivables	-	0.22
	-	<u>0.22</u>
15. INVENTORIES		
a) Raw Materials:		
i) In stock	666.33	785.19
ii) In transit	402.44	174.62
b) Work-in-progress	208.14	222.48
c) Finished goods	853.42	1,244.59
d) Stores & spares	299.12	328.80
e) Loose tools	126.34	120.86
	<u>2,555.79</u>	<u>2,876.54</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	41.14	66.42

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016	(Rs. in lakhs) As at 31.03.2015
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
a) More than six months	14.62	7.20
b) Others	<u>5,307.24</u>	<u>5,395.93</u>
	<u>5,321.86</u>	<u>5,403.13</u>
17. CASH AND CASH EQUIVALENTS		
a) Balances with banks		
i) On Current Account with banks	47.07	23.71
ii) On Deposit Accounts with banks with maturity less than three months from Balance Sheet Date	<u>300.00</u>	<u>300.00</u>
	347.07	323.71
iii) Cash on Hand	<u>10.47</u>	<u>9.30</u>
	357.54	333.01
b) Other Balances		
i) Earmarked balances with banks - for unclaimed dividends	7.74	10.44
ii) On Deposit Accounts with bank with maturity more than three months from Balance Sheet Date	<u>71.68</u>	<u>-</u>
	79.42	10.44
	<u>436.96</u>	<u>343.45</u>
18. SHORT TERM LOANS AND ADVANCES - UNSECURED AND CONSIDERED GOOD		
i) Prepaid Expenses	117.29	95.45
ii) Balances with Central Excise	200.05	209.04
iii) Cenvat Credit in VAT	6.56	8.88
iv) Receivables / Claims	<u>357.93</u>	<u>227.44</u>
	<u>681.83</u>	<u>540.81</u>
19. REVENUE FROM OPERATIONS		
a) Sale of Products	24,280.86	25,261.60
b) Other operating revenue		
i) Export duty drawback & other incentives	95.30	107.09
ii) Scrap Sales	41.16	45.83
iii) Miscellaneous Income	<u>1.38</u>	<u>5.19</u>
	137.84	158.11
	24,418.69	25,419.71
Less Excise Duty	<u>1,666.68</u>	<u>1,768.94</u>
	<u>22,752.01</u>	<u>23,650.77</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2016	(Rs. in lakhs) year ended 31.03.2015
20. OTHER INCOME		
a) Interest Income	38.58	45.45
b) Gain / (loss) on foreign currency transactions	167.34	52.47
c) Other Non-Operating Revenue		
Rent	<u>0.84</u>	<u>0.84</u>
	<u>0.84</u>	<u>0.84</u>
	<u>206.76</u>	<u>98.76</u>
21. COST OF MATERIALS CONSUMED - RAW MATERIALS & COMPONENTS		
Opening Stock : Raw materials & Components	785.19	728.46
Add: Purchase of Raw Materials & Components	<u>10,431.91</u>	<u>12,303.44</u>
	11,217.10	13,031.90
Less : Closing Stock -Raw materials & Components	<u>666.33</u>	<u>785.19</u>
	<u>10,550.77</u>	<u>12,246.71</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	222.48	184.20
ii) Finished goods	<u>1,244.59</u>	<u>658.31</u>
	1,467.07	842.51
b) Closing Stocks:		
i) Work in progress	208.14	222.48
ii) Finished goods	<u>853.42</u>	<u>1,244.59</u>
	1,061.57	1,467.07
Net (increase) / decrease	<u>405.50</u>	<u>(624.56)</u>
23. EMPLOYEE BENEFIT EXPENSES		
a) Salaries, wages, bonus	3,111.12	2,928.12
b) Contribution to Employee benefit funds:		
i) Provident Fund	170.86	177.82
ii) Gratuity Fund	10.96	69.32
iii) Other funds	16.11	37.73
c) Staff welfare expenses	<u>664.03</u>	<u>638.52</u>
	<u>3,973.08</u>	<u>3,851.51</u>
24. FINANCE COST		
Interest expense	290.12	368.04
	<u>290.12</u>	<u>368.04</u>

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2016	(Rs. in lakhs) Year ended 31.03.2015
25. OTHER EXPENSES		
a) Stores consumed : Stores and spares		
i) Stores and Spares	593.76	640.22
ii) Loose Tools	299.06	335.08
	<u>892.82</u>	<u>975.30</u>
b) Power and Fuel	2,192.44	2,966.55
c) Rent, Rates & Taxes	101.55	169.34
d) Insurance	63.78	57.91
e) Repairs to Building	338.32	235.43
f) Repairs to Machinery	241.53	247.40
g) Other Repairs	68.03	51.95
h) Travelling expenses	218.00	238.13
i) Packing & Forwarding	1,184.06	1,426.42
j) Advertisement & Publicity	193.01	83.27
k) Managerial Remuneration	60.96	60.96
l) Sitting fees	2.25	2.85
m) Auditors' remunerations		
i) As auditors	8.59	8.43
ii) Tax Audit Fees	0.57	0.56
iii) Other services	1.06	3.26
iv) Reimbursement of expenses	0.60	0.28
	<u>10.82</u>	<u>12.53</u>
n) Postage & Telephones	60.76	58.62
o) Research & Development expenses - refer Note no. 28 (c) (ii)	567.91	616.82
p) Commission on Sales	479.48	537.40
q) Miscellaneous expenses	478.89	371.14
	<u>7,154.61</u>	<u>8,112.02</u>
26. 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 / (Loss) after tax - Rs. lakhs	26.80	(1,454.74)
Number of Equity shares	39,34,575	39,34,575
Face value per share	Rs. 10	Rs. 10
Earnings per share (EPS)	Rs. 0.68	Rs. (36.97)

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2016	(Rs. in lakhs) Year ended 31.03.2015
27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Estimated value of contracts remaining to be executed:		
- Others	21.94	41.44
b) Income Tax liability in appeal	1,228.92	1,228.92
<p>In the preceding two years, Income Tax demand aggregating to Rs. 2,282.65 lacs was raised on the Company on completion of assessment / reassessment for the AY 2008-09 to 2012-13. The Company had made Provision for Taxation to the extent of Rs. 1,053.73 lacs and shown the balance amount of Rs. 1,228.92 lacs as Contingent Liability. During the year, the Company had paid Rs. 400 lacs as part payment against the aforesaid demand. The Company has received favourable Orders from the first appellate authority whereby the entire aforesaid demand will be nullified. The orders giving effect are yet to be received. In the mean time, the Income Tax Department has filed appeals for two Assessment Years in Income Tax Appellate Tribunal and is likely to file similar appeals for remaining years. In view of continuity of the dispute, the Company has considered it prudent to continue the net tax provision of Rs. 653.73 lacs and also continue the Contingent Liability as in the previous year.</p>		
c) Liability towards Labour cases	7.86	10.86
d) Other Contingent Liabilities :		
i) Bank Guarantees for Domestic Sales	2.02	75.80
ii) Bank Guarantees for purchase of third party power	80.00	105.00
iii) Bank Guarantees for Central Sales Tax cases	16.94	-
28. OTHER INFORMATION		
a) Imports on CIF basis:		
i) Raw Materials	2,384.35	2,302.85
ii) Components, Spare Parts etc.,	295.45	399.09
iii) Capital Goods	36.67	12.65
b) Expenditure in Foreign Currency:		
i) Royalty, Consultancy & Retainer Fee	24.15	51.94
ii) Others	263.73	257.71

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Year ended 31.03.2016		(Rs. in lakhs) Year ended 31.03.2015	
c) Research & Development Expenditure on the in-house R&D facility approved by the Department of Scientific & Industrial Research, New Delhi				
i) Capital expenditure		26.00		14.63
ii) Revenue expenditure				
- Raw Material & Components consumed	41.07		23.03	
- Salaries, Wages & Bonus	203.51		196.77	
- Stores & Tools consumed	135.46		90.18	
- Power cost	50.06		46.21	
- Travelling expenses	18.73		17.55	
- Product development expenses	81.27		109.04	
- Other expenses	37.81		134.05	
		567.91		616.82
		593.92		631.45
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	834.35	7.9%	448.94	3.7%
Imported - Chemicals & Minerals	1,044.51	9.9%	1,054.23	8.6%
Total	1,878.85	17.8%	1,503.16	12.3%
Indigenous - Glass Fibres, Resins & Metals	3,159.64	29.9%	5,422.89	44.3%
Indigenous - Chemicals & Minerals	4,024.37	38.1%	3,444.71	28.1%
Indigenous - Components & others	1,487.91	14.1%	1,875.95	15.3%
	10,550.77	100.0%	12,246.71	100.0%
ii) Spares :				
Imported	9.20	3.0%	6.03	1.8%
Indigenous	298.83	97.0%	320.59	98.2%
	308.03	100.0%	326.62	100.0%
e) Earnings in Foreign Exchange :				
i) FOB value of goods exported		11,058.82		10,739.48
ii) Exchange fluctuation on Foreign Currency A/c (Net)		167.34		52.47

NOTES ON FINANCIAL STATEMENTS (Contd.)

29. 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 Ramabadran, 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				1,754.45 (3,338.25)
b.	Sales				1,574.16 (2,212.28)
c.	Services received		60.96 (60.96)	0.10 (0.30)	
d.	Rent received				0.84 (0.84)
e.	Trade Receivables				145.78 (240.95)
f.	Creditors	- -	- -		392.94 (392.42)

Figures in brackets are for Previous Year

30. 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:

	31.03.2016	(Rs. in lakhs)
Employer's Contribution to Provident Fund	187.59	31.03.2015 188.53
Employer's Contribution to Superannuation Fund	27.45	42.19
	<u>215.04</u>	<u>230.72</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.

SUNDARAM BRAKE LININGS LIMITED

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.

(Rs. in lakhs)

	As at / Year ended 31.03.2016		As at / Year ended 31.03.2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
c) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation as at beginning of the year	540.12	133.76	506.37	122.93
Current Service cost	33.43	16.34	30.66	14.08
Interest cost	43.21	8.53	40.51	9.35
Actuarial (gain) / loss	(27.88)	28.26	31.84	27.72
Benefits paid	(78.63)	(48.69)	(69.25)	(40.32)
Defined Benefit obligation as at end of the year	510.25	138.20	540.12	133.76
d) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	580.35		539.50	
Expected return of plan assets	48.86		45.74	
Actuarial gain / (loss)	–		–	
Employer's contribution	5.81	48.69	64.36	40.32
Benefits paid	(78.63)	(48.69)	(69.25)	(40.32)
Fair value of plan assets at the end of the year	556.39		580.35	
e) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at the end of the year	556.39	–	580.35	–
Present value of obligation as at the end of the year	510.25	138.20	540.12	133.76
Amount not recognised / recognised in Balance Sheet	46.14	138.20	40.23	133.76
Expenses recognised during the year				
Current Service cost	33.43	16.34	30.66	14.08
Interest cost	43.21	8.53	40.51	9.35
Expected return on plan assets	(48.86)	–	(45.74)	–
Actuarial (gain) / loss	(27.88)	28.26	31.84	27.72
Net cost	(0.10)	53.13	57.27	51.15

SUNDARAM BRAKE LININGS LIMITED

NOTES ON FINANCIAL STATEMENTS (Contd.)

Investment details	31.03.2016		31.03.2015	
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%	8.00%	8.00%	7.80%
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%

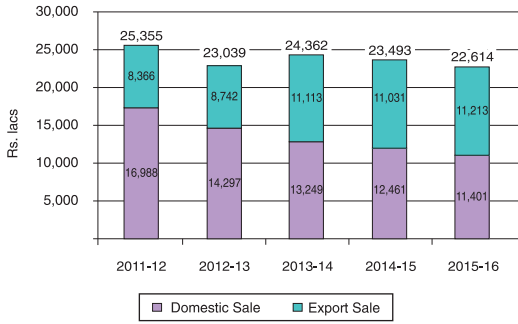
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by an actuary.

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

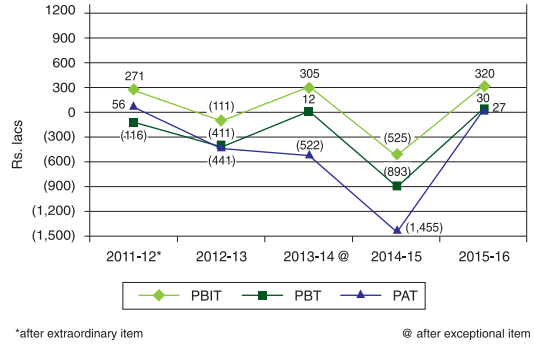
K MAHESH Chairman	T KANNAN Director	ASHOK V CHOWGULE Director	As per our Report Annexed for SUNDARAM & SRINIVASAN Chartered Accountants (FRN 004207 S)
K S RANGANATHAN Director	K S D SAMBASIVAM Director	KRISHNA MAHESH Managing Director	P MENAKSHI SUNDARAM Partner Membership No.217914
Place : Chennai Date : May 24, 2016	S RAMABADRAN Chief Financial Officer & Company Secretary		

NOTES

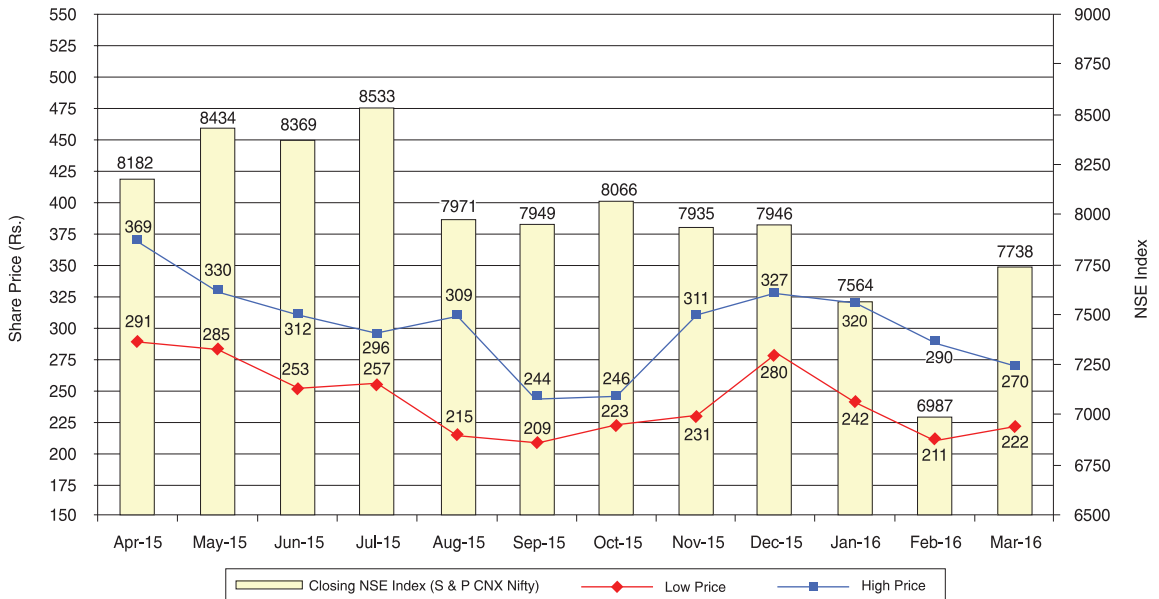
Net Sales



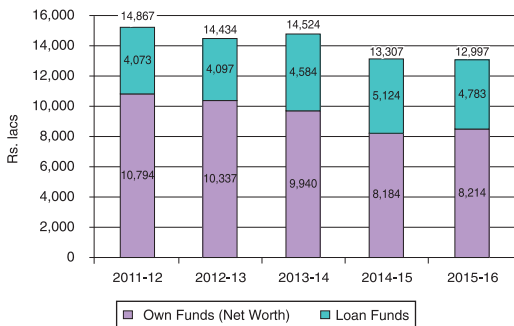
Profit Trend



Share Price Movement & NSE Index



Capital Employed



Earnings per share & Book Value

