

# SUNDARAM BRAKE LININGS LIMITED

Padi, Chennai - 600 050, India.



Telephone: 73580 33474  
E-mail : sbl@tvssbl.com  
Website : www.tvssbrakelinings.com  
PAN : AADCS4888E

July 6, 2023

<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, "G" Block Bandra Kurla Complex Bandra (East), Mumbai-400 051 <b>Scrip Code: SUNDRMBRAK</b>	<b>BSE Limited</b> Floor 25, P J Towers, Dalal Street, Mumbai - 400 001 <b>Scrip Code: 590072</b>
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Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year 2022-23 under Reg. 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the company for the Financial Year 2022-23.

The copy of the Annual Report is also available on the website of the company viz., [www.tvssbrakelinings.com](http://www.tvssbrakelinings.com)

This is for your information and records.

Thanking you,

**Yours truly,**  
**for SUNDARAM BRAKE LININGS LIMITED**

**Y Sathyan**  
**DGM Finance & Company Secretary**

MANUFACTURERS OF TVS BRAKE LININGS & CLUTCH FACINGS

Registered Office : Padi, Chennai - 600 050. India.

CIN : L34300TN1974PLC006703

# FORTY NINTH ANNUAL REPORT 2023



SUNDARAM BRAKE LININGS LIMITED





## BOARD OF DIRECTORS

T Kannan - Director - Demised on 23.05.2023  
P S Raman - Director  
Ashok V Chowgule - Director - resigned with effect from 12.11.2022  
K S D Sambasivam - Director  
Sandhya Subramanyam - Director  
Shobhana Ramachandran - Director  
Shripriya Mahesh Ramanan - Director  
G R Chandramouli - Director  
S Venkataraman - Director  
Krishna Mahesh - **Managing Director**

## BOARD'S SUB-COMMITTEES

### 1. AUDIT COMMITTEE

T Kannan - Demised on 23.05.2023  
P S Raman  
Ashok V Chowgule - Resigned with effect from 12.11.2022  
K S D Sambasivam  
Sandhya Subramanyam - Chairperson

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

T Kannan - Chairman - Demised on 23.05.2023  
Shripriya Mahesh Ramanan  
Krishna Mahesh

### 3. NOMINATION & REMUNERATION COMMITTEE

K S D Sambasivam - Chairman  
Sandhya Subramanyam  
Shobhana Ramachandran

### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

K S D Sambasivam - Chairman  
Ms Sandhya Subramanyam  
Krishna Mahesh

## SENIOR MANAGEMENT

S Balaji - President  
V Srinivasan - Chief Financial Officer  
Y Sathyan - Company Secretary  
Chief Investor Relations Officer /  
Compliance Officer

## STATUTORY AUDITORS

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

## BANKERS

STATE BANK OF INDIA  
Corporate Accounts Group (CAG) Branch  
Chennai - 600 008  
ICICI BANK LIMITED  
No. 1, Cenotaph Road  
Chennai - 600 018

## SECRETARIAL AUDITOR

V Suresh - Senior Partner  
V Suresh Associates  
Practising Company Secretaries  
28, 1st Floor, Ganapathy Colony  
3rd Street, Teynampet  
Chennai - 600 018  
E-mail id: vsassociates@gmail.com  
Phone No: 044-42111701

## REGISTERED OFFICE

Padi, Chennai 600 050

## FACTORIES

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

## SHARE DEPARTMENT

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

## REGISTRAR & TRANSFER AGENT

Integrated Registry Management Services  
Private Limited  
II Floor, "Kences Towers"  
No. 1, Ramakrishna Street  
North Usman Road, T Nagar, Chennai-17  
Phone: 91-44-2814801 - 808  
E-mail: corpserv@integratedindia.in

## WEBSITE:

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

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## HIGHLIGHTS OF TEN YEARS' PERFORMANCE

₹ in lacs

Particulars		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1	Sales & Other income #	23,271	24,913	23,750	24,627	24,681	25,381	28,887	26,322	23,813	29,840	35,760
2	Export Sales	8,742	11,113	11,031	11,213	10,390	10,023	12,176	12,320	9,958	11,756	11,602
3	Profit before extraordinary / exceptional item, int, depn and Tax	669	776	164	875	937	995	1,309	995	879	567	443
4	Profit before extraordinary / exceptional item & tax	(411)	(328)	(893)	31	143	376	649	300	210	(213)	(540)
5	Profit after tax	(441)	(522)	(1,455)	(41)	176	376	705	252	600	8	(478)
6	Net fixed assets	8,608	8,715	8,074	7,440	7,101	6,751	6,700	7,089	6,954	6,964	6,847
7	Share capital	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46	393.46
8	Reserves & Surplus	8,787	8,266	6,592	6,551	6,703	7,072	7,805	8,003	8,624	8,670	8,148
9	Net worth	9,181	8,659	6,986	6,944	7,097	7,466	8,198	8,397	9,017	9,063	8,541
10	Return on Net Worth (RONW) - PAT/Networth	(4.8%)	-6.0%	(20.8%)	-0.6%	2.5%	5.0%	8.6%	3.6%	6.7%	0.1%	-5.6%
11	Return on Avg. Capital Employed (ROCE)	(0.9%)	2.6%	(5.2%)	3.6%	4.6%	5.9%	8.1%	4.4%	3.0%	1.9%	-1.7%
12	Cash earnings per share (₹)	8.62	7.35	(19.47)	13.05	18.14	20.51	30.50	20.19	29.55	15.43	3.37
13	Earnings per share (₹)	(11.20)	(13.26)	(36.97)	(1.04)	4.47	9.57	17.93	6.40	15.25	0.20	(12.15)
14	Dividend per share (₹)	-	-	-	-	-	-	-	-	-	-	-
15	Book value per share (₹) *	233.34	220.08	177.55	176.50	180.37	189.74	208.37	213.41	229.18	230.34	217.07
16	Sundry Debtors - No. of days	73	78	76	78	64	70	72	68	92	73	64
17	Turnover/Avg Inventory (Times)	10.9	10.3	9.1	8.4	8.2	7.9	8.0	6.8	6.6	7.1	6.8
18	Current Ratio	1.47	1.32	1.06	1.05	1.22	1.34	1.33	1.42	1.35	1.28	1.24
19	R & D Expenses - as % on Net Income	2.7%	3.2%	2.7%	2.6%	3.4%	4.0%	3.4%	4.6%	3.0%	2.4%	2.3%
20	Debt-Equity Ratio (= Total debts / Debt+ Networth)	0.31	0.33	0.41	0.39	0.32	0.29	0.29	0.22	0.25	0.31	0.37

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

\* Calculated on the expanded capital of 39,34,575 equity shares for FY's 2012-13 to 2022-23

Note: Figures in respect of FY's 2012-13 to 2014-15 are as per Indian GAAP and that of FY's from 2015-16 to 2022-23 are as per Indian Accounting Standards (Ind-AS).

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Forty Ninth Annual General Meeting of the Company will be held on **Friday, 28<sup>th</sup> July 2023 at 09.15 A.M IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. **To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2023, the Cash Flow statement for the year ended 31<sup>st</sup> March 2023 and Notes forming part of the documents referred above and the Report of the Directors and the Auditors of the Company thereon, be and are hereby approved and adopted."

2. **To re-appoint Ms. Shobhana Ramachandran (DIN: 00273837) as director, liable to retire by rotation, and being eligible, offers herself for re-appointment.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Ms. Shobhana Ramachandran (DIN: 00273837), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

(By order of the Board)

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

**Y SATHYAN**  
Company Secretary

Registered Office  
Padi, Chennai - 600 050

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### **General Instructions & Information:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.tvstrakelinings.com](http://www.tvstrakelinings.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM is annexed.



9. Pursuant to the General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 circular followed by the General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 with respect to relaxation in conducting the AGM, issued by the Ministry of Corporate Affairs (MCA), the facility to appoint proxy to attend and cast vote on behalf of the members is not applicable for this 49<sup>th</sup> AGM. Hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [vsassociates16@gmail.com](mailto:vsassociates16@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
11. In compliance with the aforesaid MCA Circulars dated 5<sup>th</sup> May, 2022, Notice of the 49<sup>th</sup> AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on **Friday, 21<sup>st</sup> July, 2023**. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.tvbrakelinings.com](http://www.tvbrakelinings.com) and website of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
13. The register of members and the share transfer register will remain closed for a period of seven days from 22<sup>nd</sup> July 2023 to 28<sup>th</sup> July 2023 (both days inclusive) for the purpose of AGM.
14. 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.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant of 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.
16. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form.
18. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Integrated Registry Management Services Private Limited) of the Company: -
  - a) Any change in their address / bank mandate.
  - b) Particulars of their bank account, in case they have not been sent earlier.

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- c) Nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not sent the same earlier.
- d) Share Certificate(s) held in multiple accounts in identical names or joint accounts, in the same order of names, for consolidation of such shareholdings into one account.
19. In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years to the IEPF account established by the Central Government. There are no shares in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years.
- Any person whose shares have been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and after making an application in form IEPF-5, send the same duly signed along with requisite documents to the Company for verification of the claim.
20. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. Members holding shares either in physical form or in dematerialized form, as on **Friday, 21<sup>st</sup> July, 2023 i.e. cut-off date**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who are present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
22. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off date **Friday, 21<sup>st</sup> July, 2023**. Members, whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e **Friday, 21<sup>st</sup> July, 2023** will be considered for the purpose of availing Remote e-Voting or e-Voting at 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.
23. The board has appointed Mr. V. Suresh, (Partner, V. Suresh Associates, Practising Company Secretaries) holding certificate of practice (CP No.6032) issued by the Institute of Company Secretaries of India (ICSI) as the Scrutinizer (ID: SURESH) to Scrutinize the e-Voting process in a fair and transparent manner.
24. The Scrutiniser shall, immediately after the conclusion of voting at annual general meeting, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall, within 2 working days of conclusion of the meeting, submit his report to the Chairman / Managing Director / Chief Financial Officer /DGM Finance & Company Secretary of the Company.
25. 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](http://www.tvstrakelinings.com) and will also be available in website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
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**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, 25<sup>th</sup> July, 2023 at 09:00 A.M. and ends on Thursday, 27<sup>th</sup> July, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 21<sup>st</sup> July, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21<sup>st</sup> July 2023.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:


**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number</li> </ol>

Type of shareholders	Login Method
	<p>hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vsassociates@gmail.com](mailto:vsassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Ms.Prajakta Pawle) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [kalyan@integrated.co.in](mailto:kalyan@integrated.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [kalyan@integrated.co.in](mailto:kalyan@integrated.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- 4.. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.



## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH

### VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [sblagm@tvssbl.com](mailto:sblagm@tvssbl.com) from July 20, 2023 (9:00 a.m. IST) to July 27, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

#### Resolution No.2

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Shobhna Ramachandhran, Non-Executive Non Independent Director of the company, retires at this Annual General Meeting and being eligible for Re-appointment, offers herself for Re-appointment subject to approval of Shareholders.

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

Name	Ms. Shobhana Ramachandhran
Age	63 years
DIN	00273837
Qualification	Post Graduate in English Literature
Experience and other details	She is associated with TVS Srichakra Limited since 1986 and is the Managing Director of the same. She has rich experience in the Tyre and Rubber Industry and holds Directorship in public and private companies, encompassing various sectors of automotive, financial, logistics and auto component distributorship.
Date of first appointment on the Board	13 <sup>th</sup> August 2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Cousin of Mr. Krishna Mahesh, Managing Director and Ms. Shripriya Mahesh Ramanan, Director
Number of meetings of the Board attended during the year	5 out of 6 Meetings.

# SUNDARAM BRAKE LININGS LIMITED

Other Directorships, Memberships / Chairmanship of Committees of other Boards	Directorship	Committee Membership
	TVS Supply Chain Solutions Limited TVS Srichakra Investments Private Limited Pusam Rubber Products Private Limited SI Air Springs Private Limited TVS Automobile Solutions Private Limited TVS Argomm Private Limited Sundaram Industries Private Limited (formerly known as T S Rajam Tyres Private Ltd) Sundaram Finance Holdings Limited TVS Mobility Private Limited	Nil
	Sundaram Finance Limited	Audit Committee – Member Corporate Social Responsibility Committee – Chairperson
	TVS Srichakra Limited-Managing Director	Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Chairperson Borrowing and Investment Committee - Member
Nature of expertise in specific functional area	Overall Business Expertise in Automobile Industry	

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## BOARD'S REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Forty Ninth Annual Report of the Company together with Audited Accounts for the year ended 31st March 2023.

### FINANCIAL RESULTS:

The financial performance of your company is stated hereunder: (₹ In Lakhs)

Particulars	2022-23	2021-22
Revenue from Operations	<b>35,483.84</b>	29,520.03
Profit before exceptional item, interest, depreciation and tax	<b>442.64</b>	566.77
Less : Interest	<b>371.57</b>	180.72
Profit before exceptional item, depreciation and tax	<b>71.07</b>	386.05
Less : Depreciation	<b>610.82</b>	599.15
Profit / (Loss) before tax and exceptional items	<b>(539.75)</b>	(213.10)
Add : Exceptional item:		
(i) Reversal of liability towards contract with customers – ₹ 433.33 lacs	-	226.37
(ii) Additional depreciation on tools due to change in useful life – ₹ (-)206.96 lacs		
Profit before tax	<b>(539.75)</b>	13.27
Less : Provision for Taxation		
Current Tax	-	2.07
Prior Period Tax	-	-
Deferred Tax Liability / (Asset) (net)	<b>(61.59)</b>	3.43
Profit after tax	<b>(478.16)</b>	7.77
Add : Surplus / (Deficit) brought forward	<b>2,119.23</b>	2,087.93
Less: Transfer to Other Comprehensive Income	<b>(43.95)</b>	45.07
Surplus Carried over	<b>1,597.12</b>	2,119.23

### DIVIDEND:

In the year under review, your company saw strong demand across all segments and achieved 20.70% sales growth compared to the prior year.

Profitability was, however, significant impacted by the unprecedented increases in key raw material prices with incomplete pass through of said prices.

In light of significant uncertainties associated with raw material and energy costs, your directors are constrained to skip dividends for the year. Various steps are being taken, however, to improve the your company's performance.

## **AUTOMOBILE INDUSTRY SCENARIO-2022-23**

The Indian Automotive Industry recorded a production of 25.93 million vehicles and 13% growth with the medium and heavy Commercial vehicle production hitting 3.79 million vehicles and 40% growth.

## **SBL'S SALES PERFORMANCE**

Your company's net sales during the year 2022-23 increased by 20.70% at ₹ 353.10 crores compared to ₹ 292.63 crores the prior year. Domestic sales increased by 34% while exports decreased by 1.3%

### **DOMESTIC:**

Your company's 34% growth in the domestic sales is due to the growth of the medium and heavy commercial vehicle OE segment and also in the OE Spares segment. In the independent after market, your company's addition of a channel directly to large stockists achieved a turnover of Rs 5 crores which is expected to grow substantially in the coming years.

### **EXPORTS:**

Export sales struggled with stress in the Middle East and African markets and a marked downturn in Europe driven by high energy prices. Increased economic uncertainty led to subdued growth and stock holding in the US. Your company is introducing new product lines and customers to increase sales in the coming years.

Net foreign exchange earned by your company in the year under review was Rs.41.39 crores as against ₹ 67.21 crores in 2021-22.

## **OUTLOOK FOR 2023-24**

The consensus is that the Indian Economy will maintain a growth rate in the 6% range in 2023-24.

Macroeconomic indicators, announced Government investment intent, and Vehicle manufacturers sentiment are positive and the Indian automotive industry is expected to continue its growth path in the coming years. The medium and heavy commercial vehicle sales growth is expected to sustain and will prove favourable to your company's positioning as the preferred supplier of OE friction.

Your company is also aggressively expanding its range and presence in the Indian aftermarket which is expected to fuel growth in 2023-24 and beyond.

## **RESEARCH AND DEVELOPMENT:**

Your company's R&D facility located in Padi has been recognized 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 has been renewed up to 31.03.2024.

During the year under review, the focus of the department was on increasing range in CV pads, capacity and efficiency in CV linings, and new product development in the 2W market. Energy cost optimization efforts continued in the year under review and will be accelerated in the coming year.

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The total expenditure for R&D incurred in 2022-23 was ₹ 8.26 crores as against Rs. 7.14 crores in the previous year.

### **SHARE CAPITAL**

During the year under review, your company has not issued any type of Shares. Hence there is no change in the share capital of the company.

### **TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer of such amount to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

During this year, no shares / Dividends amounts were liable to be transferred to the IEPF authority. Further, Members/ claimants whose shares, and / or unclaimed dividend which have been transferred pertaining to the earlier financial years to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on [http:// www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time.

### **PUBLIC DEPOSITS**

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

### **CASH FLOW STATEMENT**

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the financial year ended 31st March, 2023 forms part of this Annual Report.

### **BOARD MEETINGS**

The Board of Directors met 6 (six) times during the financial year ended 31st March, 2023. i.e., 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 19<sup>th</sup> September, 2022, 12<sup>th</sup> November, 2022, 07<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023. The gap between the Board meetings was within the maximum period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended and notified from time to time. Detailed statement of attendance of directors at the Board Meetings and other meeting of all Committees held during the financial year ended 31st March, 2023 are given in the Corporate Governance report which is forming part of this Annual Report.

## **PASSING OF RESOLUTION BY CIRCULATION**

During the financial year, there was no resolution by circulation was passed by the Board of Director or Committees of the Board.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **i. CHANGE IN DIRECTORS - APPOINTMENT, CHANGE IN DESIGNATION AND RESIGNATION**

1. Mr. K S Ranganathan, Non Executive,Independent director resigned with effect from 27<sup>th</sup> May,.2022
2. Mr.G R Chandramouli has been appointed as Non-executive Non Independent director with effect from 27<sup>th</sup> May,2022
3. Mr.S Venkataraman has been appointed as Non executive Independent Director with effect from 27th May,2022
4. Mr.Ashok V Chowgule,Non Executive Independent director resigned with effect from 12<sup>th</sup> November,2022
5. Mr.T Kannan,Non Executive Independent Director passed away on 23<sup>rd</sup> May,2023. He was a member of the Audit Committee and the Chairperson of the Corporate Social Responsibility committee.

### **RETIREMENT BY ROTATION AND RE-APPOINTMENT**

Pursuant to Section 152(6)(c) of Companies Act, 2013, during the financial year, Mrs. Shripriya Mahesh Ramanan, Non-Executive Non Independent Director of the Company, being liable to retire by rotation, retired by rotation at the 48th Annual General Meeting of the Company held on 04th August, 2022 and being eligible, was re-appointed.

Further, Pursuant to Section 152(6)(c) of Companies Act, 2013, Ms. Shobhana Ramachandran,Non-Executive Non Independent Director of the Company who retires by rotation and being eligible for re-appointment, offers herself for re-appointment as a Director of the Company and the same is being placed before the 49th Annual General Meeting for approval of shareholders of the Company.

### **ii. CHANGE IN KEY MANAGERIAL PERSONNEL**

During the financial year ended 31<sup>st</sup> March, 2023, there were changes in Key Managerial personnel in the Company as follows:

1. Mr.Y.Sathyan,DGM Finance has been appointed as Company Secretary with effect from 19<sup>th</sup> September, 2022 consequent to the relinquishment from the position of “ Company Secretary” by the then CFO & Company Secretary Mr.S.Ramabadran.
2. Mr.V. Srinivasan has been appointed as Chief Financial Officer(CFO) with effect from 07<sup>th</sup> December, 2022 consequent to the retirement of Mr. Ramabadran as CFO

## **AUDIT COMMITTEE**

Pursuant to Section 177(8) of Companies Act, 2013, the Company had constituted an Audit Committee. The Audit Committee has been reconstituted on 12<sup>th</sup> November,2022 consequent to the resignation of Mr.Ashok V Chowgule from the board who was the Chairman of the Audit Committee.The particulars of composition of

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the Audit Committee, meetings held during the year and other particulars have been detailed in the Corporate Governance Report forming part of this Annual Report.

#### **DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations which were unaccepted by the Board of Directors of the Company during the year under review.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule - V thereof, the Management Discussion and Analysis report has been annexed to the Board's Report as **ANNEXURE - IV** and forms a part of the Annual Report.

#### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received declarations from all the Independent Directors who are occupying the Board as on the end of financial year 2022-23 confirming that they continue to meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 25 & 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made under there at. The format of the said Disclosure is given as **ANNEXURE V**, which forms part of this Annual Report.

#### **NOMINATION AND REMUNERATION POLICY**

The Company believes that a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on Director's appointment, remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The key highlights of the policy forms part of this Report. The entire Nomination and Remuneration Policy may be accessed on the Company's website at [www.tvstrakelinings.com](http://www.tvstrakelinings.com).

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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 have been denied access to the Audit



Committee. The policy of Vigil mechanism is available on the Company's website [www.tvsbrakelinings.com](http://www.tvsbrakelinings.com). No complaint has been received from any employee since inception of the vigil mechanism.

## **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 2022-23 of the Company to which the financial statements relate and date of the report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Sections 134(3) (c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures wherever applicable;
2. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2023 and of the Profit/Loss of your Company for the year ended on that date.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that they had prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES / JV AND INFORMATION ABOUT SUBSIDIARY / JV / ASSOCIATE COMPANY**

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

## **ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://tvsbrakelinings.com/images/assets/pdf/Draft%20Annual%20Return%2031.03.2023.pdf>

## **STATUTORY AUDITORS**

The Annual Accounts of the Company including its Balance Sheet, Statement of Profit and Loss and Cash Flow Statement including the Notes and Schedules to the Accounts have been audited by M/s. Brahmayya & Co, Chartered Accountants, Chennai. The Independent Auditors' Report given by the Auditors on the financial statements of the Company is forming part of the Annual Report. There has been no qualification, reservation,

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adverse remark or disclaimer given by the Auditors in their Report which requires any explanation / comments by the Board.

### **SECRETARIAL AUDITORS**

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. V. Suresh Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the Financial Year 2022-23 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation / comments by the Board. The Secretarial Audit Report is forming part of this Annual Report.

M/s. V. Suresh Associates, Practicing Company Secretaries, Chennai has been re-appointed as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2023-24 at the meeting of Board of Directors held on 26<sup>th</sup> May, 2023.

### **INTERNAL AUDITORS**

Pursuant to Section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act, 2013, M/s. Sundaram and Srinivasan, Chartered Accountants, Chennai are the Internal Auditors of the Company, who were originally appointed in the Board meeting held on 4th Aug. 2017. They have been carrying out their Audit as per the Plan submitted to and approved by Audit Committee.

The Audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each quarter in consultation with the Audit Committee. These audits are based on risk based methodology and inter alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the financial year for corrective action. The Audit Committee oversees the work of Internal Auditors.

### **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.

### **QUALIFICATIONS IN AUDIT REPORTS**

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

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS**

The auditors of the Company have stated that during the course of their audit, there were no material fraud by the Company or on the Company by its officers or employees noticed or reported in Independent Auditors' Report which forms part of this Report. Hence, no requirement arises to report the same to Audit Committee or Board of Directors of the Company.

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the Financial Year 2022-23, your Company has complied with applicable Secretarial Standards, namely SS-1 & SS-2 issued by the Institute of Company Secretaries of India.

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

### A. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken during 2022-23:

- Replacing plant-scale furnace oil fired thermopacs with individual electrically powered mould heating to proactively address rising energy prices and emissions. These improvements are being replicated at all of our factories .
- Resizing air compressors to reduce power consumption.
- Redesign of layout, regrouping and resizing machines to reduce the power & manpower requirements is continuing.

#### (b) Impact of the above measures:

The measures taken above have helped in reducing fuel cost for the machines where it has been implemented and will reduce the overall energy cost for SBL, in the years to come.

- They have offset the increase in minimum demand charges and per unit power costs unilaterally imposed by TNEB
- Enabled the reduction of labour costs from 19% to 12% of sales.

### B. Technology absorption

#### Research & Development (R&D)

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

Benchmarked and developed Drum Brake Linings for Medium & Heavy Commercial Vehicle applications for domestic Aftermarket.

Developed Drum Brake Linings for Heavy Duty Military Vehicle OEM applications

Developed two-wheeler disc pads for domestic Aftermarket

Developed disc pads for All-wheel-disc brake LCV bus OEM application

Developed disc pads for EV bus (noise sensitive) OEM applications

Developed copper-free (N-level) disc pads for Heavy Commercial Vehicle Export application to meet upcoming Regulatory requirements

Developed rubber-based CV linings for special export applications

Developed high-copper woven clutch facings for domestic aftermarket premium applications

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(2) Benefits derived as a result of the above

Continued recognition of in-house R&D by Department of Scientific and Industrial Research (DSIR), Government of India Obtained approval and commercialized drum brake linings, disc pads and clutch facings for various OEM and Aftermarket applications

(3) Future Plan of action

Development of Disc pads and Drum brake linings for various passenger and commercial vehicle applications in Domestic OEM, After Market & Export Markets Development of Woven Clutch Facings for commercial vehicle applications in Domestic OEM & Export Markets Development of specialized resins with improved thermal stability for various product applications

Reduction in Raw material costs through yield improvement, process optimization, and development of alternative sources & materials.

Improvement in process technology, in order to augment production capacity with minimum capital outlay.

**C. Technology absorption, adaptation and innovation:**

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

Process optimization for Quality Improvement through Thermo Electric Heating System (TEHS) - each curing mould is closely controlled by individual heating system in place of centralized heating system Process Cycle-time optimisation through detailed study of curing process Product and Process improvement by benchmarking the product against fellow global leaders Development of recycling process for waste re-use

2. Benefits derived as a result of the above efforts

Development of superior and competitive products for Export and Domestic markets Quality upgradation and optimal use of resources leading to savings Reduction in pollution, improving sustainability of environment

**(4) Expenditure on R&D**

(₹ in Lakhs)

S. No	Particulars	Financial Year 2022-23
a	Capital	-
b	Revenue	<b>826.91</b>
c	Total	<b>826.91</b>
d	Total R & D expenses as % of total turnover	<b>2.30%</b>

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Lakhs)

S. No.	Particulars	Financial Year	
		2022-23	2021-22
A	Foreign Exchange earned	<b>11,442.72</b>	11,479.47
B	Foreign Exchange used	<b>7,303.59</b>	4,758.02
C	Net Foreign Exchange earned (A-B)	<b>4,139.13</b>	6,721.45

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year 2022-23, there have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

**REPORT AS PER SECTION 134 READ WITH RULE 8 AND SUB RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014**

Change in nature of business, if any: Nil

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: Not Applicable

**INTERNAL CONTROL AND SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system which is commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Independent Auditors' Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year, the Company has not given any loan (Secured or Unsecured) or guarantees covered under the provision of Section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements, which form part of this Annual Report.

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company firmly provides a safe, supportive and friendly workplace environment - a workplace where our values come to life through the underlying behaviours. Positive workplace environment and a great employee experience are integral parts of our culture.

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No woman employee has been engaged by the Company. Hence the compliance under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 does not arise.

### **RISK MANAGEMENT AND POLICY**

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has framed Risk Management Policy, which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company.

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.

The Company has been addressing risks impacting the Company in Management Discussion and Analysis Report which forms part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have framed a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website <https://www.tvbrakelinings.com/images/assets/pdf/SBL%20CSR%20Policy.pdf>

The composition and terms of reference of the CSR Committee are detailed in the Corporate Governance Report, which forms part of this Annual Report.

The disclosure on Corporate Social Responsibility initiatives during the financial year has been provided in **ANNEXURE - III** which forms part of this Annual Report.

### **RELATED PARTY TRANSACTIONS**

During the financial year, all the related party transactions entered by the Company were ordinary business transactions in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under Companies Act, 2013 read with rules made thereunder and Regulation 23 (2) of SEBI Listing Regulations, 2015. Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given are also placed before the Audit Committee for its review on a quarterly basis.

During FY 2022-23, there were no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015.

Form AOC-2 pursuant to Section 134 (2) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out the **ANNEXURE - II** to the report.

The Company has adopted a policy on materiality of related party transactions and dealing with Related Party Transactions and the same is disclosed on the website of the Company, viz., [www.tvbrakelinings.com](http://www.tvbrakelinings.com)

## **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 Corporate Social Responsibility Committee & Stakeholders' Relationship Committee (SRC).

The Board has carried out an annual evaluation of its own performance, the directors and also Committees of the Board based on the guidelines formulated by the Nomination & Remuneration Committee under Self-evaluation method. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.

The Board, upon evaluation, considered that the Board is well balanced and diverse and is commensurate with the business profile and size of the Company.

The Board reviewed and noted with satisfaction of its own performance and that of its Committees and individual Directors.

## **RATIO OF REMUNERATION OF DIRECTOR**

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **ANNEXURE - I** which forms part of this Annual Report

## **PARTICULARS OF EMPLOYEES**

No employee of the Company in the Financial Year 2022-23 was in receipt of remuneration of more than Rs. 1.02 crores during the year or Rs. 8.50 lakhs per month during any part of the said year as per Section 197 of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## **COMPLIANCE WITH CODE OF CONDUCT**

The Company has framed a Code of Conduct for the Board of Directors and Senior Management personnel of the Company. The Code of Conduct is available on the Company's website [www.tvsbrakelining.com](http://www.tvsbrakelining.com). All the Board of Directors and Senior Management personnel have affirmed compliance with the Code of conduct as on 31<sup>st</sup> March, 2023.,

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As required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration from Mr. Krishna Mahesh, Managing Director to this effect is annexed to the Report on corporate governance which forms part of this Annual Report.

## **LISTING OF SHARES**

The equity shares of the Company are listed on the Stock Exchange viz., National stock exchange of India Ltd (NSE). The Company paid the applicable listing fees to the Stock Exchange within the stipulated time for the financial year 2022-23.

## **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. Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule-V thereof, the report on Corporate Governance has been furnished in the Annual Report and forms part of the Annual Report.

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 forms part of this Annual Report.

The Managing Director and the Chief Financial officer of the Company have certified to the Board the financial statements and other matters 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 31<sup>st</sup> March 2023 and the same is enclosed as part of Annual Report.

## **PERSONNEL**

Employee relations have been very cordial during the financial year ended 31st March, 2023. The Board wishes to place on record its appreciation to all the employees in the Company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year.

## **ACKNOWLEDGEMENT**

Your Directors wish to thank State Bank of India and ICICI Bank Limited for their continued support and assistance.

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

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

For and on behalf of the Board

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

**KRISHNA MAHESH**  
Managing Director  
(DIN: 00420048)

**K S D SAMBASIVAM**  
Director  
(DIN: 01937321)



**ANNEXURE - I TO THE BOARD'S REPORT**

**PARTICULARS OF EMPLOYEES AND RATIO OF REMUNERATION OF DIRECTOR**

**A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:**

a)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Mr.Krishna Mahesh, Managing Director did not draw any remuneration during the year. Other Directors did not draw any remuneration from the Company. Median Salary ₹ 3.22 Lakhs
b)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year	Not Applicable due to change of CFO, Company Secretary during the Financial Year.
c)	The percentage increase in the median remuneration of employees in the financial year	(-)3.01%
d)	The number of permanent employees on the rolls of the company	591
e)	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 there are any exceptional circumstances for increase in the managerial remuneration	There was 2.50% increase in Salaries paid to employees other than the managerial personnel in FY 2022-23 as compared to FY 2021-22. There was (-)91.14% decrease in the managerial remuneration in FY2022-23 as compared to FY 2021-22 since Managing Director did not draw any remuneration from the company during the year.
e)	Affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Boards Report for the year ended March 31, 2023**

No employee of the Company was in receipt of remuneration of not less than Rs. 1.02 crores during the year or Rs. 8.50 lakhs per month during any part of the said year as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

For and on behalf of the Board

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

**KRISHNA MAHESH**  
Managing Director  
(DIN: 00420048)

**K S D SAMBASIVAM**  
Director  
(DIN: 01937321)

**ANNEXURE-II TO THE BOARD'S REPORT  
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 arm's length transactions under their proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis  
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

(A)	(B)	(C)	(D)	(E)	(F)
Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board	Amount paid as advances
M/s.Madurai Alagar Enterprises Private Ltd	Sale of goods Reimbursement of expenses Commission on Sales	From 01.04.2022 to 31.03.2023	Sales were made for ₹ 617 lakhs Reimbursement of expenses for ₹ 29.38lakhs Commission on Sales ₹ 19.12 Lakhs	Transactions for each of the four quarters were approved by the Board in their meetings held on 27.05.2022, 11.08.2022, 12.11.2022 & 13.02.2023	NIL
M/s. Alagar Farms Private Limited	Purchase of Raw materials		Purchase of Cashew Friction Dust were made for ₹ 544.18 lakhs		
M/s. Alagar Resins Private Limited	Purchase of Raw materials		Purchase of Resins were made for ₹ 1112.30lakhs		
M/s, Trichur Sundaram Santhanam & Family Private Limited	Sale of goods		Sales were made for ₹ 519.44 lakhs		
M/s. TVS Mobility Private Limited	Sale of goods		Sales were made for ₹ 223.85 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.

For and on behalf of the Board

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

**KRISHNA MAHESH**  
Managing Director  
(DIN: 00420048)

**K S D SAMBASIVAM**  
Director  
(DIN: 01937321)

**ANNEXURE III TO THE BOARD'S REPORT  
REPORT ON CORPORATE SOCIAL RESPONSIBILITIES**

**1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:**

For your Company, CSR means Corporate Sustainable Responsibility and this has been embedded into its business model. The CSR policy of the Company represents the continuing commitment and actions of the Company to contribute towards economy and social development and growth.

**2. COMPOSITION OF THE CSR COMMITTEE:**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. T.Kannan *	Chairman		
2	Mrs.Shripriya Mahesh Ramanan	Member		
3	Mr. Krishna Mahesh	Member		

\*Demised on 23.05.2023

**WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY**

The Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed in the website of the Company [www.tvbrakelinings.com](http://www.tvbrakelinings.com).

**3. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT):**

Impact Assessment in pursuance of sub-rule (3) of rule 8 of the companies (corporate social responsibility policy) rules, 2014 is not applicable to the Company.

**4. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:**

S. No.	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	17,000	Nil

**5. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):**

Average net profit of the Company for last three financial years (2019-20, 2020-21 and 2021-22) calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 is NIL

**6. (a) TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):  
NIL**

**(b) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS:**

Not Applicable.

**(c) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY:**

Nil

**(d) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (7a+7b-7c)**

As the Company did not earned Profits as per the definition of CSR Acts/Rules of the Companies Act,2013, there is no CSR Obligation to be spent for the Financial Year 2022-23

NIL

**7. (a) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the Fund	Amount
7.74 Lacs	Not Applicable			

**(b) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:**

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration
				State	District	
Not Applicable						

Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				Name	CSR Registration number.
Not Applicable					

**(c) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:**

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	
				State	District
	NIL				

Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
	Name	CSR Registration number
Yes	Not Applicable	
Yes	Not Applicable	
Yes	Not Applicable	

**(d) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS**

NIL

**(e) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE**

Not Applicable

**(f) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (8B + 8C + 8D + 8E)**

NIL

**(g) EXCESS AMOUNT FOR SET OFF, IF ANY**

S. No.	Particular	Amount (₹ In lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.03

**9. (a) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		
				Name of the Fund	Amount (in ₹)	Date of transfer
Not Applicable						

**(b) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):**

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

**10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR- Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)**

Not Applicable.

SHRIPRIYA MAHESH RAMANAN  
Member  
CSR Committee  
DIN No:08632277

KRISHNA MAHESH  
Member  
CSR Committee  
DIN: 00420048

Date: May 26, 2023

**ANNEXURE - IV TO BOARD'S REPORT**  
**SPECIMEN COPY OF DECLARATION FROM INDEPENDENT DIRECTORS**  
**ON ANNUAL BASIS**

To

The Board of Directors,  
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, I did not have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, Senior Management or its Holding Company, its Subsidiary and Associates 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) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - (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;
  - (a) 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 the criteria of independence in terms of the aforesaid provisions of the statutes.

Thanking you,

Yours Faithfully,

Name  
(Independent Director)

Place: Chennai

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2022-23

### Global economic environment

The World bank estimates that the global GDP growth slowed to 2.9% in 2022 against the prior year's 5.9%. The inevitable inflation that followed significant cash infusions by the West into economies they themselves had shut down necessitated their central banks steep interest rate hikes.

The US economy slowed the most with barely 0.9% growth compared to 5.9% in 2021. The forty year high inflation led to the steepest interest rate hike path in recent memory. The collapse of several banks and warnings of fragility in the remaining banks leave the US Fed with the unenviable task of tamping down excess money sloshing through the system without collapsing confidence in the consumer banking system. The continuing strength in retail sales and employment numbers provides some relief that a steep recession is not imminent though housing demand has cooled recently.

The European Union (EU) GDP growth of 3.6% was significantly slower than the 5.7% of the prior year. The diversity of response in the EU to COVID and Governmental actions would have created significant disparities in this growth had not energy price inflation overwhelmed the signal. The impact of US and EU sanctions from the conflict in Ukraine, natural gas prices spiked over ten times its long term price. Given the requirement of stable, base load energy for an economy to function, the EU has sought creative methods to obtain its energy with the sanctions.

The Indian economy proved a rare bright spot in the global picture, with growth of 7% not far below its 8.7% in the prior year. The economic growth resulted in India becoming the fifth largest economy in its 75<sup>th</sup> year of independence. While domestic management of cash infusions and COVID responses allowed moderate interest rates, global inflationary pressures required RBI rate hikes and slowed growth in the latter part of the year. Indian inflation, at 6.7%, remains well within historic norms for itself and other developing economies.

For the year 2022-23, the automobile industry's annual production volume was 259.70 lakh

### Industry and company trend

The automotive industry overcame rising commodity prices, the semi-conductor shortage, and transportation costs to deliver production volume of 259.70 lakh units (13% growth) and sales volume of 259.65 lakh units (12% growth) in 2022-23. Infrastructure spending and a buoyant economy's freight requirement contributed to the surge in medium and heavy commercial vehicle demand. While passenger vehicle sales was buoyed by the post-pandemic demand for personal mobility and buoyance represented by domestic growth and services exports. The already high base of a rural sector largely unaffected by the pandemic resulted in healthy but not spectacular growth.



The Auto-industry Production & Sales Volume data

(in Lakhs / No.'s)

<b>Comparative Vehicle Production vs Sales</b>						
Vehicle category	Vehicle Production		Growth%	Vehicle Sales		Growth%
	2021-22	2022-23		2021-22	2022-23	
<b>M &amp; HCV</b>	2.72	<b>3.79</b>	39%	2.73	<b>3.81</b>	40%
<b>LCV</b>	5.33	<b>6.56</b>	23%	5.36	<b>6.60</b>	23%
<b>Passenger</b>	36.51	<b>45.79</b>	25%	36.47	<b>45.56</b>	25%
<b>Three – Wheeler</b>	7.58	<b>8.56</b>	13%	7.6	<b>8.54</b>	12%
<b>Two – Wheeler</b>	177.00	<b>195.00</b>	10%	179	<b>195.14</b>	9%
<b>Total</b>	229.14	<b>259.70</b>	13%	231.16	<b>259.65</b>	12%

Source: ACMA

The US market for class 8 trucks (which is the relevant segment for your company) was strong, registering a growth of 14%. Manufacturers were able to redesign systems to reallocate chips from smaller trucks to sustain their supply.

While freight remained robust till the end of 2022-23, falling home construction, decreasing factory output and soft retail sales all hurt contract freight tonnage with large drops seen in March, driving the freight in the last quarter down compared to a year ago.

Trucking serves as a barometer of the U.S. economy, representing over 70% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled over 10 billion tons of freight in 2021 and the carriers collected over 80.8% of total revenue earned by all transport modes. Thus any down turn here will likely soon appear in the general economic numbers.

The diversity of EU performance can be seen in the contrast between the 7% overall sales growth of heavy commercial vehicles and that of Germany -0.9%. The European economic picture remains mixed.

Your company's net sales increased by 21% as compared to financial year 2021-22, mainly due to good order inflow in the domestic segment (both OEM and Aftermarket) while slowed by sluggish sales in our Exports.

The order inflows from domestic segments continued to be good throughout the financial year 2022-23 and further improvement is expected to continue during the first half of 2023-24.

**Economic Outlook:**

Global GDP growth is expected to decelerate further in the coming year to 1.7% with the continuing conflict in Ukraine, persistent localised inflation, and the fragile state of banks.

While the US market is expected to avoid an abrupt recession, the Fed will be constrained to raise interest rates to hold off inflation while balancing the risk of banking collapse. The sustained decrease in truck tonnage does not augur well for US economic growth and expectations for the year is for growth between 0 and 1%. Thus new HCV sales and truck tonnage are expected to fall.

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The European market continues to face the dual challenges of inflation and mixed economic growth, the ECB's significant interest rate increases of over 3.5% in the last 14 months will likely result in very poor HCV sales growth.

The Indian market is again expected to be an exception to the gloomy global outlook with over 6% growth in GDP. The 33% growth in Governmental budget allocation to infrastructure augurs well for commercial vehicle demand. The highly disciplined budget promises a deficit of only 2-2.5% and thus frees up the RBI to deal with monetary policy without having the headache of mopping up fiscal indiscipline that other central banker have had to.

While Governmental schemes of production linked incentives and subsidies to select areas of the economy remain a concern in terms of ensuring a level playing field, the overall automotive outlook is positive with sales growth of 10% industry wide expected.

### **Opportunities:**

With India becoming the fifth largest economy and the most populous country, the potential for the transport of passenger and freight is significant and growing. The push for streamlined logistics considering multi-modal connectivity (Gati Shakti) and dedicated freight corridors can further boost industrial and freight growth.

The development of next generation friction materials for BS VI compliant vehicles, has continued to help your company remain the preferred OEM / OES supplier in BS VI variants. Your company has become one of the very few suppliers of friction materials approved as OEM fitment for all the Indian commercial vehicle manufacturers across all BS VI models as well as continuing to supply prestigious global commercial vehicle manufacturers overseas, helping your company to grow during the FY2022-23 and minimize geographically limited economic fluctuations.

OEM CV business growth is expected to sustain in the coming year and your company will continue to provide the best solution to the vehicle manufacturer's needs. Your company sees significant untapped potential in the aftermarket and will put in enhanced efforts to strengthen its after market offering and grow its share and the segment as a whole. As a part of this increased focus on the independent aftermarket, your company will introduce new lines of business viz., two wheeler products, four wheeler lined stores, premium disc pads for passenger vehicle segment, etc.

While the US and the EU face significant risk of recession, your company believes it has strong market share and new product growth potential with recently developed, innovative new products to capture a larger portion of the opportunity. Customer sourcing diversification away from China provide new opportunities in EU and US customers.

The EV range and ICE mileage benefits of composite structures for lightweighting is heartening to your company whose products have for decades been functional composites and promises potential in product line extensions.

### **Threats and mitigation:**

Key input raw material prices have increased significantly during the year and softened during the last quarter of FY2022-23. Your company has approached all the domestic OEMs with requests to neutralize the extra burden of raw material cost increase. OEMs have partially compensated your company for the raw material cost increases and efforts are being continued to ensure full neutralization. Intense competition makes it difficult to

seek price increases and delays realisation of agreed increases. Your company continues to de-risk exports with a combination of natural hedge for imports and through price adjustment mechanisms for changes in forex and raw material cost.

A few friction material manufacturers in the organized sector continue to try to manipulate pricing and work with braking suppliers with questionable ethical practices to gain a foot hold with Indian OEMs. We do believe that the unique Indian duty cycle and your company's extensive product range acts as a strong barrier to entry for many of these suppliers.

Some established players in the organized and unorganized sector, continue to provide low priced asbestos linings in the aftermarket for M&HCV applications, despite the known deleterious health effects of asbestos.

The transition to electric vehicles will require different friction formulation and your company has already worked to characterize and develop formula for India specific driving conditions.

## **Risk and concerns**

Significant increases in key raw materials prices and fuel / power costs, pose a serious concern. The input raw materials in the company's homologated products with vehicle manufacturers cannot be changed without extensive time and testing. SBL's in-house development of materials allows your company increased ability to suggest material alternatives and demonstrate the trade-offs in real-time and real-world driving conditions and duty cycles with the support of in-house developed DEFCON (Drivers Experience of Fiction CONditions)

The local power prices have been unilaterally and suddenly increased, creating challenges to all industries in Tamil Nadu. We remain concerned about the significantly higher prices charged to industry to subsidize non-economic interests. These may pose a significant drag in further growth in the coming years.

The developing El Nino system traditionally affects India's agricultural and economic prospects and this may have significance in rural demand, agricultural goods transport, deficit, and headline inflation numbers.

The strengthening of USD leads to hard currency shortages in various Middle Eastern and African markets, leading to potential delays in repeat orders and customer demands for price adjustments. The depth and duration of potential recessions in the US and EU may significantly impact exports and will be closely monitored.

## **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 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 sustain quality management systems through Total Employee Involvement at all levels with a view to achieve enhanced level of customer satisfaction in Domestic as well as Overseas markets. Your company continues to closely monitor and focus on various cost reduction activities and cost control initiatives to achieve planned targets during the year.

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## Human Resources / Industrial Relations

The Industrial Relations in all four plants of the Company continued to be cordial. Talent attraction in the apprentices category is posing a strong challenge and the dearth of employable candidates, at this level, has drastically risen over the last one year and our company is taking various HR initiatives in this area. The total number of employees on roll as on 31<sup>st</sup> March 2023 in all the Plants was 982.

The company has spent significant resources to ensure the health, safety, and well being of our employees- at home, at work, and in between the two.

We have rolled out grade elevation and salary enhancement letters to Managerial and Executive category employees during the Financial Year 2022 – 23.

## Accounting Treatment

The Company has followed all the applicable Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs (MCA) in the preparation of financial statements.

## Financial and Operational Performance

(₹ in Lakhs)

Particulars	Year 2022-23	Year 2021-22
Revenue from Operations	35,483.84	29,520.03
Other Income	276.54	319.69
<b>TOTAL INCOME</b>	<b>35,760.38</b>	29,839.72
Cost of material consumed	21,701.36	16,938.20
Changes in inventories of finished goods & work-in-progress	(330.35)	(356.37)
Employee benefit expenses	4,289.65	4,201.32
Finance cost	371.57	180.72
Depreciation and amortization expense	610.82	599.15
Other expenses	9,657.08	8,489.80
<b>Total Expenditure</b>	<b>36,300.13</b>	30,052.82
Profit / (Loss) before tax before exceptional item	(539.75)	(213.10)
Exceptional items		
(i) Reversal of liability towards contract with customers – ₹ 433.33 lacs		226.37
(ii) Additional depreciation on tools due to change in useful life – ₹ (-)206.96 lacs		
Profit before tax after exceptional item	(539.75)	13.27
Tax expense		-

## SUNDARAM BRAKE LININGS LIMITED

<b>Particulars</b>	<b>Year 2022-23</b>	Year 2021-22
Current Tax		2.07
Prior Period Tax		-
Deferred Tax liability / (asset) (net)	<b>(61.59)</b>	3.43
Profit / (Loss) for the Period	<b>(478.16)</b>	7.77

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

### **SIGNIFICANT CHANGES IN KEY FINANCIAL INDICATORS (CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR)**

<b>Particulars</b>	<b>Year 2022-23</b>	Year 2021-22	<b>Remarks</b>
Debtors Turnover (No. of days)	<b>64</b>	73	
Inventory Turnover (Times)	<b>6.8</b>	7.1	
Interest Coverage Ratio	<b>(0.45)</b>	1.07	
Current Ratio	<b>1.24</b>	1.28	
Debt Equity Ratio	<b>0.37</b>	0.31	
Operating Profit Margin (%)	<b>(-)0.47%</b>	(-) 0.1%	
Net Profit Margin (%)	<b>(-)1.51%</b>	0.0%	

### **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.

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## REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE PHILOSOPHY

The Company believes in ensuring fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. The Company always endeavours to enhance shareholders 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.

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies and practices are periodically updated to ensure effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

### 2. BOARD OF DIRECTORS

#### a) Composition and category of directors

The Board has an optimum mix of Executive, Non-Executive and Independent Directors. The Board of the Company is diverse in terms of qualification, competence, skills and expertise, which enables it to ensure long term value creation for all the stakeholders.

#### Composition of the Board as on 31<sup>st</sup> March 2023:

Category	No. of Directors	% to total number of Directors
Executive Director	1	11%
Non-Executive - Non Independent Directors	3	33%
Non-Executive - Independent Directors	5	56%*

\*As on today, 50% due the demise of Mr.T.Kannan,Independent Director

#### The Composition of the Board of Directors and category of them are as follows:

S. No.	Name of the Director	DIN	Category of directors
1	Mr T Kannan*	00040674	Non - Executive Independent Director
2	Mr P S Raman	00003606	Non - Executive Independent Director
3	Mr K S D Sambasivam	01937321	Non - Executive Independent Director
4	Ms. Sandhya Subramanyam	02753843	Non - Executive Independent Director
5	Ms. Shobhana Ramachandhran	00273837	Non – Executive Non Independent Director
6	Ms. Shripriya Mahesh Ramanan	08632277	Non – Executive Non Independent Director
7	Mr. G R Chandramouli	01868645	Non Executive Non Independent Director
8	Mr.S Venkataraman	09099119	Non - Executive Independent Director
9	Mr. Krishna Mahesh	00420048	Managing Director

\* Mr.T.Kannan, Independent Director was passed way on 23.05.2023

All Independent Directors possess the requisite qualifications and are very experienced in their own fields and fulfil required independence criteria. None of the Directors holds membership in more than ten committees or is 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 held on 04<sup>th</sup> August, 2022**

S. No.	Name of Director	No. of Board Meetings held during their tenure	No. of Board Meetings Attended	Attendance at the last AGM (04 <sup>th</sup> Aug, 2022)
1	Mr T Kannan	6	5	No
2	Mr P S Raman	6	1	No
3	Mr Ashok V Chowgule*	4	4	Yes
4	Mr K S Ranganathan**			No
5	Mr K S D Sambasivam	6	6	Yes
6	Ms Sandhya Subramanyam	6	6	Yes
7	Ms. Shobhana Ramachandhran	6	5	Yes
8	Ms. Shripriya Mahesh Ramanan	6	4	No
9	Mr. G R Chandramouli	6	6	Yes
10	Mr.S Venkataraman	6	6	Yes
11	Mr Krishna Mahesh	6	6	Yes

\* Mr.Ashok V Chowgule was resigned with effect from 12<sup>th</sup> November,2022

\*\* Mr.K S Ranganathan was resigned with effect from 27<sup>th</sup> May,2022

**c. Number of other Board of Directors or committees in which the directors are members or chairperson**

S. No.	Name	*No. of Directorships in other Companies		**No. of Committee Memberships in other Companies	
		Chairman	Member	Chairman	Member
1	Mr. T Kannan	1	1	-	2
2	Mr. P S Raman	-	-	-	-
3	Mr. Ashok V Chowgule	-	-	-	-
4	Mr. K S Ranganathan	-	-	-	-
5	Mr. K S D Sambasivam	-	-	-	-
6	Mrs. Sandhya Subramanyam	-	3	-	-
7	Ms. Shobhana Ramachandhran	2	1	-	3

S. No.	Name	*No. of Directorships in other Companies		**No. of Committee Memberships in other Companies	
		Chairman	Member	Chairman	Member
8	Mrs. Shripriya Mahesh Ramanan	-	-	-	-
9	Mr. G R Chandramouli	-	1	-	-
10	Mr.S Venkataraman	-	1	-	-
11	Mr. Krishna Mahesh	-	-	-	-

**Note:**

\* Number of other Board of Directors or committees in which the Directors are members or chairperson denotes the number of directorship in listed entities.

\*\* Number of membership and chairmanship in committees denotes membership in Audit / Stakeholder relationship Committee in all listed entities.

**The name of other listed entities in which director of our company is a director and the category of directorship**

S. No.	Name of the Directors	Category of Directors	Name of Listed Companies
1	Mr T Kannan	Non-Executive & Independent	TVS Motor Company Limited
		Chairman & Managing Director	VTM Limited
2	Mr P S Raman	-	-
3	Mr Ashok V Chowgule	-	-
4	Mr K S Ranganathan	-	-
5	Mr K S D Sambasivam	-	-
6	Ms Sandhya Subramanyam	-	-
7	Ms.Shobhana Ramachandhran	Managing Director	TVS Srichakra Limited
		Independent Director	Sundaram Finance Limited
		Independent Director	Sundaram Finance Holdings Limited
8	Ms Shripriya Mahesh Ramanan	-	-
9	Mr. G R Chandramouli		
10	Mr.S Venkataraman		
11	Mr Krishna Mahesh	-	-



**d. Number of meetings of the Board of directors held and dates on which held**

During the financial year ended 31<sup>st</sup> March 2023, there were 6 (Six) Board meetings held on 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 19<sup>th</sup> September 2022, 12<sup>th</sup> November, 2022, 07<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023. The interval between any two meetings was well within the maximum time limit allowed as per the provisions of Companies Act, 2013 and amendments made thereunder.

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

Ms. Shripriya Mahesh Ramanan, Non-Executive Non Independent Director is relative (sister) to Mr. Krishna Mahesh, Managing Director.

**f. No. of shares and convertible instruments held by Non-Executive Directors**

S. No.	Name	Category	No. of equity shares held
1.	Mr T Kannan	Non-Executive & Independent	50
2.	Mr P S Raman	Non-Executive & Independent	169
3.	Mr Ashok V Chowgule	Non-Executive & Independent	-
4.	Mr K S Ranganathan	Non-Executive & Independent	-
5.	Mr K S D Sambasivam	Non-Executive & Independent	5
6.	Ms Sandhya Subramanyam	Non-Executive & Independent	-
7.	Ms. Shobhana Ramachandhran	Non-Executive	-
8.	Mrs. Shripriya Mahesh Ramanan	Non-Executive	-

**g. Web link where details of familiarisation programmes imparted to independent directors is disclosed**

The Company has been conducting familiarisation programmes for the Independent Directors of the Company through a detailed presentation. The details of such familiarisation programme are disseminated on the website of the Company [www.tvsbrakelinings.com](http://www.tvsbrakelinings.com)

**h. A chart or a matrix setting out the skills / expertise / competence of the board of directors specifying the list of core skills / expertise / competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board**

The following are the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the business of the Company:

1. General Management skills
2. Leadership Skills
3. Problem Solving/Decision Making
4. Relationship Building
5. Communication Skills
6. Planning & Strategy Development

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**Names of directors along with the skills / expertise / competence**

Name of Directors	Competency Matrix					
	General Management skills	Leadership skills	Problem solving / Decision making <sup>§</sup>	Relationship building	Communication skills	Planning & Strategy Development <sup>^</sup>
T Kannan	High	High	High	High	High	High
P S Raman	High	High	High	High	High	High
Ashok V Chowgule	High	High	High	High	High	High
K S Ranganathan	High	High	High	High	High	High
KS D Sambasivam	High	High	High	High	High	High
Sandhya Subramanyam	High	High	High	High	High	High
Shobhana Ramachandhran	High	High	High	High	High	High
Shripriya Mahesh Ramanan	High	High	High	High	High	High
G R Chandramouli	High	High	High	High	High	High
S Venkataraman	High	High	High	High	High	High
Krishna Mahesh	High	High	High	High	High	High

<sup>^</sup> Planning & Strategy Development includes core experience in industry across varied sectors, Information technology planning & design etc.

<sup>§</sup> Problem solving / Decision making includes Strategic Management / Planning / Financial Analysis and decision making.

**i. Confirmation that in the opinion of the board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management**

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the SEBI Listing Regulations and are Independent in the Management of the Company.

**j) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided.**

None of the Independent directors has resigned during the financial year 2022-23. However, on 19<sup>th</sup> May, 2022, Mr K S Ranganathan, Independent Director, submitted his resignation letter to the Company due to ageing and declining health and he has confirmed that no other material reason was there for resignation and Mr.Ashok V Chowgule, Independent Director, Independent Director, submitted his resignation letter on 3<sup>rd</sup> November,2022 to the Company due to ageing and declining health and he has confirmed that no other material reason was there for resignation.

### 3. AUDIT COMMITTEE

#### a. Brief description of 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 cover 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 note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The Statutory Auditors and Internal Auditors are present at all Audit Committee meetings.

#### b. Composition of the Audit Committee

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and the rules made there under and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of the following directors for the year ended 31st March 2023:

S. No.	Name of Members	Position	Category
1	Mr. T Kannan	Member	Non-Executive & Independent
2	Mr. P S Raman	Member	Non-Executive & Independent
3	Mr. K S D Sambasivam	Member	Non-Executive & Independent
4	Ms. Sandhya Subramanyam	Chairperson	Non-Executive & Independent
5	Mr.S Venkataraman	Member	Non-Executive & Independent

The Committee comprised of five Independent Directors, all of whom are financially literate and have relevant finance / audit exposure. The Managing 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.

#### c. Meetings and Attendance

The members of Audit Committee met Five times for the financial year ended 31<sup>st</sup> March, 2023 viz., 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022, 07<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023.

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The particulars of attendance by the members of the Committee during the year under review.

S. No.	Name of Members	Position	No of Meetings held	No. of Meetings Attended
1	Mr. T Kannan	Member	5	4
2	Mr. P S Raman	Member	5	1
3	Mr. Ashok V Chowgule	Chairman	3	3
4	Mr. K S Ranganathan	Member	1	-
5	Mr. K S D Sambasivam	Member	5	5
6	Ms. Sandhya Subramanyam	Member	5	5
7	Mr.S Venkataraman	Member	4	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE

a) **Brief description of terms of reference:**

The constitution of the Committee is in compliance of Section 178 of the Companies Act,2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the Board of directors.
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of independent directors.

b) **Composition of the Nomination and remuneration committee**

The Nomination and Remuneration committee comprises of Non-Executive and Independent Directors. Mr. K S D Sambasivam is the Chairman of the Committee. Ms. Sandhya Subramanyam and Ms.Shobhana Ramachandran are the other members as on 31st March, 2023. The Company Secretary is the Secretary to the Committee.

c) **Meetings and Attendance during the year**

The members of Nomination and Remuneration Committee met three times during the financial year ended 31st March, 2023 viz., on 18.05.2022, 19.09.2022 and 07.12.2022.

The particulars of attendance by the members of the Committee during the year under review.

S. No.	Name of Members	Position	No of Meetings held	No. of Meetings Attended
1	Mr. K S Ranganathan*	Chairman	1	1
2	Mr. Ashok V Chowgule**	Member	2	2
3	Mr. K S D Sambasivam	Chairman	3	3
4	Ms.Sandhya Subramanyam	Member	2	2
5	Ms Shobhana Ramachandran	Member	1	1

\* Mr.K S Ranganathan, resigned on 27.05.2022

\*\* Mr.Ashok V Chowgule, resigned w.e.f. 12.11.2022

d) **Performance evaluation criteria for independent directors**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters detailed here below:

- i. Attendance at Meetings - attendance at Board Meetings, General and Committee meetings.
- ii. Other Directorships held by the Non-Executive Director in listed or unlisted companies
- iii. Other companies in which Non-Executive Director is a Chairperson
- iv. Participation at Board/Committee meetings
- v. Input in strategy decisions
- vi. Review of Financial Statements, risks and business performance
- vii. Time devoted towards discussion with Management
- viii. Review of Minutes - Board Minutes, Committee meeting minutes and AGM Minutes.

A separate exercise was carried out to evaluate the performance of individual directors including the Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safe guarding the interest of the Company and its various stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors and they expressed their satisfaction with the evaluation process.

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## 5. OTHER COMMITTEES

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. K S D Sambasivam, Non-Executive Director is the Chairman of the Committee. Ms. Sandhya Subramanyam and Mr. Krishna Mahesh are the other members of the Committee as on 31st March, 2023.

The committee decided that action of share transfer, transmissions, issue of duplicate share certificates, re-materialisation of shares etc., will be ratified in Stakeholders' Relationship Committee at its subsequent meeting.

The Committee met on appropriate times to approve share transfers, transmissions, issue of duplicate share certificates, re-materialisation 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 members of Stakeholders Committee met Four times during the financial year ended 31<sup>st</sup> March, 2023, viz., 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023.

No. of Service requests received and redressed during the year 2022-23:

S. No.	Nature of Service requests	No. of Service requests
1	Issue of Duplicate Share Certificate	3
2	Change of Name	Nil
3	Correction in dividend warrant	Nil
4	Procedure for transmission	31
5	General queries	21
6	Unclaimed Dividend Warrant	Nil
7	Procedure for Loss of Share Certificate	20
8	IEPF 5-Certificate & Dividend	1
9	Revalidation of Dividend Warrant	Nil
10	Non Receipt of Dividend	2
11	Change of Address and Bank Mandate	19
12	Share certificate	1
13	Annual Report	9
	<b>Total</b>	<b>107</b>

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and the Committee has formulated a policy on Corporate Social Responsibility. The composition of the committee and attendance details of members is as follows:

S. No	Name of Members	Position	Category	No of meetings held	No of meetings attended
1	Mr. T.Kannan*	Chairman	Non-Executive & Independent Director	-	-
2	Mrs.Shripriya Mahesh Ramanan	Member	Non-Executive & Non Independent Director	-	-
3	Mr. Krishna Mahesh	Member	Executive Director	-	-

Mr.Y. Sathyan, Company Secretary and Compliance Officer of the Company is the Secretary to the Committee.

Mr.T.Kannan,Independent Director, demised on 23<sup>rd</sup> May,2023

The terms of reference of CSR Committee shall, inter-alia, include the following:

1. Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per schedule VII of the Companies Act, 2013.
2. Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. Monitor the CSR policy of the Company from time to time.
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

During the financial year ended 31<sup>st</sup> March 2023, the Corporate Social Responsibility Committee did not met since the company did not have any obligation to spend for CSR activities due to inadequacy of average profits for the past three financial years.

**MEETING OF INDEPENDENT DIRECTORS**

During the financial year ended 31<sup>st</sup> March 2023, the Independent Directors met on 24<sup>th</sup> March 2023 without the presence of the Executive Directors and Management personnel of the Company. Such meetings are conducted to enable Independent Directors inter alia to discuss:

1. Evaluation of the performance of the Non-Independent Directors and the Board of Directors as a Whole.
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and they were satisfied with the evaluation.

All the Independent Directors were present except Mr. T Kannan and Mr. P.S Raman.

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## 6. REMUNERATION OF DIRECTORS

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

There were no other pecuniary relationships or transactions of the non-executive directors vis-a-vis the Company during the Financial Year ended 31st March, 2023 except payment of sitting fees as disclosed below.

### (b) 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.

### (c) Disclosures with respect to remuneration

#### Remuneration to Executive Director

Mr. Krishna Mahesh is the Managing Director of the Company. He was re-appointed by the Shareholders for a period of 3 years with effect from 6th February 2022 with a minimum remuneration of Rs. 7 lakhs per month by Ordinary Resolution vide Postal Ballot on December 28, 2021.

Mr. Krishna Mahesh did not draw any remuneration during the FY 2022-23.

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.

Details of Remuneration paid to Mr. Krishna Mahesh, Managing Director during the Financial Year 2022-23:

Particulars	Amount (in ₹)
Basic Salary	-
Bonus / Benefits	-
House Rent Allowance	-
Other Allowances	-
Commission	-
Other Perquisites / performance linked incentive	-
Contribution to Provident Fund / Pension	-
Contribution to Superannuation fund	9,45,000/-
Stock option	-
Service contracts / Notice period / Severance fees	-
<b>Total</b>	<b>9,45,000/-</b>



**Remuneration to Non- Executive Directors**

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2022-23:

(Amount in ₹)

Name of the Director	Meetings						Total
	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Independent Directors	Corporate Social Responsibility Committee	
Mr. T Kannan	25,000	20,000	-	-	-		45,000
Mr. P S Raman	5,000	5,000	-	-	-		10,000
Mr. Ashok V Chowgule	20,000	15,000	10,000	-	-		45,000
Mr. K S Ranganathan			5,000			-	5,000
Mr. K S D Sambasivam	30,000	25,000	15,000	20,000	5,000	-	95,000
Ms. Sandhya Subramanyam	30,000	25,000	10,000	20,000	5,000	-	90,000
Ms. Shobhana Ramachandhran	25,000	-	5,000	-		-	30,000
Ms. Shripriya Mahesh Ramanan	20,000	-	-	-	-	-	20,000
Mr. G R Chandramouli	30,000	-	-	-	-	-	30,000
Mr.S Venkataraman	30,000	20,000	-	-	5,000		55,000
<b>TOTAL</b>							<b>4,25,000</b>

**7. ANNUAL GENERAL MEETING / EXTRAORDINARY GENERAL MEETING**

- a) **Location and time, where last three Annual General Meetings (AGM) held and confirmation of special resolution passed during the meetings:**

Financial year	Location	Date	Time	Special resolutions passed at the AGM
2021-22	Video Conference ("VC")/ Other Audit visual means(OAVM")	04 <sup>th</sup> Aug, 2022	10.01AM	No Special Resolution was passed in this meeting
2020-21	Video Conference ("VC")/ Other Audit visual means(OAVM")	11 <sup>th</sup> Aug, 2021	10.01AM	No Special Resolution was passed in this meeting
2019-20	Video Conference ("VC")/ Other Audit visual means(OAVM")	10 <sup>th</sup> Aug, 2020	10.00AM	No Special Resolution was passed in this meeting

There was no Extra Ordinary General meeting held during the last 3 years.

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b) **Details of any special resolution passed last year through postal ballot and details of voting pattern**

The Company has not passed any special resolution during previous year ended 31st March, 2023 through postal ballot and accordingly details pertaining to the person who conducted the postal ballot exercise and procedure for postal ballot does not arise.

c) **Reclassification of certain Promoters under Regulation 31A of SEBI (LODR) Regulations, 2015:**

The company has submitted the Reclassification Application with the National Stock Exchange, Mumbai on 10.11.2022 for the reclassification approved by the shareholder's in the meeting held on 14.10.2022 and provided the clarificatory replies in response to the queries raised by Stock Exchange and the company is in the process of responding to their further queries in this regard.

**Special resolutions proposed to be conducted through postal ballot;**

There is no imminent proposal for passing any special resolution through Postal Ballot on or before the ensuing Annual General Meeting.

**Procedure for Postal Ballot**

Pursuant to and in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Rules 20 and 22 the Companies (Management and Administration) Rules, 2014 ('the Rules') (including any statutory modification or re-enactment thereof for the time being in force), read with the General Circular No. 20/2021 dated December 08, 2021 issued by the Ministry of Corporate Affairs ('MCA Circulars'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Secretarial Standard on General Meetings ('SS-2') notice of Postal Ballot shall be sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Hard copy of notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot process and members are required to communicate their assent or dissent (For / Against) through the remote e-Voting system only. The voting results of this Postal Ballot shall be declared within the stipulated time as per the Notice of Postal Ballot.

**8. MEANS OF COMMUNICATION**

a) **Quarterly results**

The Company's quarterly financial results and the audited annual financial results are announced as per the requirements of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 to the Stock Exchange. The aforesaid financial results are intimated to BSE Limited (BSE) and National Stock Exchange (NSE), immediately after the approval of the Board of directors and are simultaneously displayed in Company's website [www.tvstrakelinings.com](http://www.tvstrakelinings.com).

b) **Newspapers wherein results are normally published**

The Company's quarterly, half-yearly and annual audited financial results are normally published in leading daily newspapers, viz. Financial Express (English-National daily newspaper) and Dinamani (vernacular newspaper-Tamil).

**c) Website**

The company's website address is **www.tvssbrakelinings.com**. The website contains basic information about the Company and such other details as required under the Listing Regulation. The Company ensures periodical update of its website. The Company has designated the e-mail ID **ysn@tvssbl.com** to enable the shareholders to register their grievances.

**d) Official New releases & other Communication**

All other official news releases which are required to be disclosed pursuant to Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company **www.tvssbrakelinings.com** in separate categories.

**e) Presentations made to institutional investors or to the analysts**

The Company has not made any Presentation to investors or to the analysts during the financial year ended 31st March, 2023.

**9. GENERAL SHAREHOLDERS INFORMATION**

**a) Annual General Meeting**

<b>Date and time</b>	Friday, 28 <sup>th</sup> July, 2023 at 09.15 A.M. IST
<b>Mode</b>	Video Conferencing / Other Audio Visual Means
<b>Book Closure Date</b>	22 <sup>nd</sup> July, 2023 to 28 <sup>th</sup> July, 2023

**b) Financial year**

The financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March.

**Calendar of financial year 2022-23**

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of Quarterly / Half yearly / Annual financial results during the financial year ended 31st March, 2023 were held on the following dates:

First Quarter Results	11th August, 2022
Second Quarter and Half yearly Results	12th November, 2022
Third Quarter Results	13th February, 2023
Audited Annual Results	26th May, 2023

**Tentative Calendar for financial year 2023-24**

The tentative dates of meeting of Board of Directors for consideration of Quarterly / Half yearly / Annual Audited financial results inter alia with other business of the Company for the financial year 2023-24 are as follows:

First Quarter Results	Not later than 14 <sup>th</sup> August 2023
Second Quarter and Half yearly Results	Not later than 14 <sup>th</sup> November 2023
Third Quarter Results	Not later than 14 <sup>th</sup> February 2024
Audited Annual Results	Not later than 30 <sup>th</sup> May 2024

c) **Dividend payment date;**

Payment of Dividend during the financial year 2022-23 is not applicable and no dividend is proposed for the financial year ended 31st March, 2023.

d) **The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)**

The equity securities of the Company are listed in National Stock Exchange (NSE) and the listing fee for the financial year 2022-23 was paid on 18th April, 2022. Further, the shares of the Company are being traded in BSE under the permitted route for trading.

d) **Stock Code**

National stock Exchange of India Ltd (NSE) Code: SUNDRMBRAK EQ	BSE Limited (BSE) (Permitted security) Scrip Code: 590072
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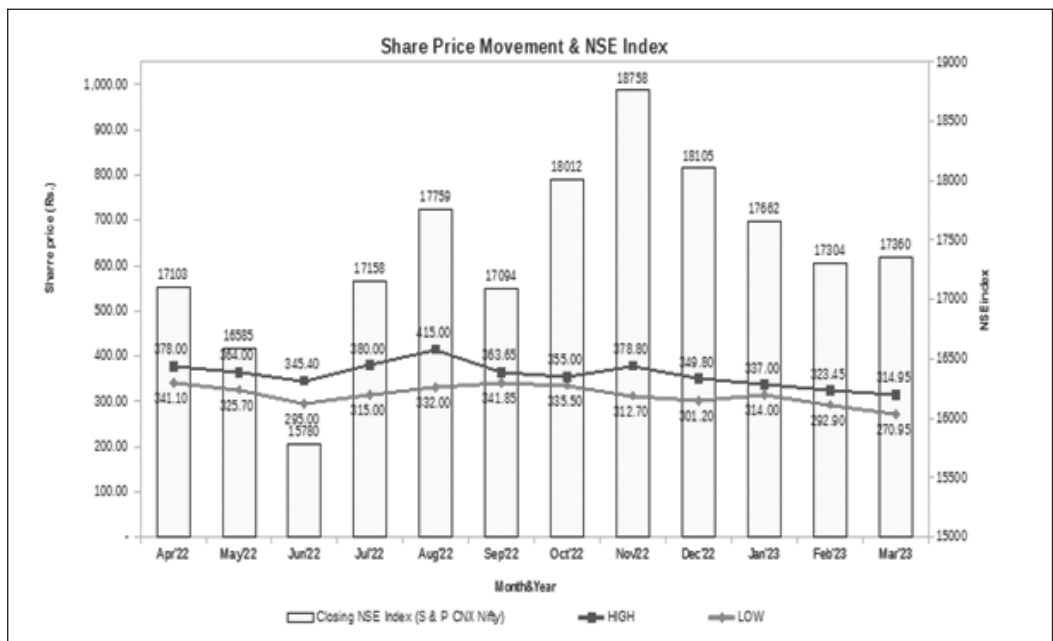
e) **Share Market price data - high, low during each month in last financial year:**

Month	NSE	
	High	Low
Apr-22	378.00	341.10
May-22	364.00	325.70
Jun-22	345.40	295.00
Jul-22	380.00	315.00
Aug-22	415.00	332.00
Sep-22	363.65	341.85
Oct-22	355.00	335.50
Nov-22	378.80	312.70
Dec-22	349.80	301.20
Jan-23	337.00	314.00
Feb-23	323.45	292.90
Mar-23	314.95	270.95

Month	BSE	
	High	Low
Apr-22	416.00	343.75
May-22	364.30	328.00
Jun-22	350.00	297.00
Jul-22	388.50	319.25
Aug-22	415.00	330.90
Sep-22	393.50	330.90
Oct-22	374.95	333.80
Nov-22	372.30	333.60
Dec-22	341.30	303.50
Jan-23	340.85	310.00
Feb-23	332.00	293.30
Mar-23	317.60	271.40

As an investor friendly initiative, BSE Limited 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.

**g. Share Price performance in comparison to broad based indices at NSE:**



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**h.** The securities of the Company were not suspended from trading during the financial year. Hence there is no explanation required to be provided in the Board's Report.

**i. Registrar and Share Transfer Agent**

M/s. Integrated Registry Management Services Private Limited,  
2nd Floor, Kences Towers, No.1,  
Ramakrishna Street, North Usman Road,  
T. Nagar, Chennai - 600 017.

**j. Share / Security Transfer System:**

Since 1st April 2003, share / security transfers in physical forms are processed by M/s. Integrated Registry Management Services Private 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 relevant 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 (M/s. Integrated Registry Management Services Private Limited, 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.

**k. Distribution of Shareholding pattern as on 31<sup>st</sup> March 2023:**

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
Upto 500	8738	95.55	586852	14.92
501 – 1000	242	2.65	179346	4.56
1001 – 2000	77	0.84	112302	2.85
2001 – 3000	33	0.36	81543	2.07
3001 – 4000	6	0.07	20767	0.53
4001 – 5000	8	0.09	35219	0.90
5001-10000	19	0.21	131464	3.34
10001 & above	22	0.24	2787082	70.83
<b>Total</b>	<b>9145</b>	<b>100.00</b>	<b>39,34,575</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March 2023:**

Category	No. of Shares held	% of total shares held
<b>PROMOTERS &amp; PROMOTER GROUP</b>		
Promoter Companies	12,85,290	32.67
Promoter Group- Corporates	3,95,583	10.05
Promoter Group- Individual	8,97,911	22.82
<b>Sub Total (A)</b>	<b>25,78,784</b>	<b>65.54</b>
<b>PUBLIC AND OTHERS</b>		
Directors & Relatives	190	0.00
Indian Financial Institution	0	0.00
Body Corporates	78,538	2.00
Non-Resident Indians	30,068	0.77
Clearing Member	6,370	0.16
Public Resident Individuals &HUF	11,94,061	30.36
Limited Liability Partnership	300	0.00
IEPF	46,123	1.17
Trusts	141	0.00
<b>Sub Total (B)</b>	<b>13,55,791</b>	<b>34.46</b>
<b>TOTAL (A + B)</b>	<b>39,34,575</b>	<b>100.00</b>

**i. Dematerialisation of shares 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), 12,79,891 equity shares have been dematerialised as on 31st March 2023 accounting for 94.40%.

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

Mode of holding	As on 31 <sup>st</sup> March, 2023		As on 31 <sup>st</sup> March, 2022	
	No. of Shares	% to Equity	No. of Shares	% to Equity
NSDL	<b>33,88,744</b>	<b>86.13</b>	33,93,326	86.24
CDSL	<b>4,69,931</b>	<b>11.94</b>	4,57,172	11.62
PHYSICAL	<b>75,900</b>	<b>1.93</b>	84,077	2.14

**m. Outstanding GDRs / ADRs / Warrants or any Convertible instrument, Conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs /Warrants or any convertible instruments as on date.

**n. Commodity price risk or foreign exchange risk and hedging activities;**

The Company does not have exposure to foreign exchange risk.

**o. Plant Locations:**

Padi, Chennai - 600 050 Phone: +91 44 26257853 Fax: +91 44 26254770 E-mail : <a href="mailto:sbl@tvssbl.com">sbl@tvssbl.com</a>	TSK Puram Plant I & II Mustakurichi Post, Virudhunagar District Pincode - 626 106 Phone: 04566 250290 - 295 E-mail : <a href="mailto:tskp@tvssbl.com">tskp@tvssbl.com</a> <a href="mailto:tskp2@tvssbl.com">tskp2@tvssbl.com</a>	Plant 4 & Plant 5 Plot No.AA6, 6 <sup>th</sup> Avenue Auto Ancillary SEZ Mahindra World City Natham Sub Post, Chengalpet, Kanchipuram District, Pincode - 603 004 Phone: 044-4749 0005 E-mail : <a href="mailto:plant4@tvssbl.com">plant4@tvssbl.com</a> <a href="mailto:plant5@tvssbl.com">plant5@tvssbl.com</a>
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**p. Address for Correspondence:**

<b>Registrar and Share Transfer Agent</b>	Integrated Registry Management Services Private Limited 2 <sup>nd</sup> 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 : <a href="mailto:kalyan@integratedindia.in">kalyan@integratedindia.in</a>
<b>For any other general matters or in case of any difficulty / grievance</b>	Company Secretary Sundaram Brake Linings Limited Padi, Chennai - 600 050	Phone: +91 44 26257853 Fax: +91 44 26254770 E-mail : <a href="mailto:ysn@tvssbl.com">ysn@tvssbl.com</a>

**q. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

**CREDIT RATING**

Name of the Rating Agency	Type of Instruments	Amount (₹ Crore)	Ratings Assigned
ICRA LIMITED	Long term - Fund-based-CC	75.00	BBB+ (Stable) Reaffirmed
	Long Term – Term Loan	10.00	
	Short term - Non-fund based	4.07	A2; reaffirmed
	Short term - Fund-based sub limits	(35.00)	A2; reaffirmed
	Short term - Non-fund based sub limits	(1.50)	A2; reaffirmed
<b>Total</b>		<b>89.07</b>	



## 10. OTHER DISCLOSURES:

**a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

There were no materially significant related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.

The Company has adopted a policy on related party transaction and it is placed on website of the Company web link:

<http://tvbrakelinings.com/images/assets/pdf/Policy%20for%20Related%20party%20transactions.pdf>

**b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. Neither has there been any instances of non-compliance by the Company on any matters related to the capital markets, nor has any penalty or stricture been imposed on the Company by the Regulatory Authorities or any statutory authority, on any matter related to capital markets, during the last three years.

**c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the audit committee**

The Company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters. The Vigil Mechanism Policy shall be viewed at our company's website: [www.tvbrakelinings.com](http://www.tvbrakelinings.com).

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has fully complied with all the mandatory requirements and has adopted certain non mandatory requirements as prescribed in Part - E of Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**a) The Board**

The Company has not appointed a non-executive director as the chairperson of the company and the reimbursement of expenses incurred in the performance of his duties does not arise.

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**b) Shareholders' Rights**

Pursuant to regulations of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as the company's quarterly / half yearly / annual financial results are published in an English newspaper having wide circulation all over India and in Tamil newspaper widely circulated in Chennai and the Company is not sending the same to the shareholders of the Company individually. The same is being hosted in the company's website [www.tvbrakelinings.com](http://www.tvbrakelinings.com) within the stipulated time.

**c) Modified opinion(s) in audit report**

The financial statement of the Company is a statement of an unmodified audit opinion.

**d) Reporting of internal auditor**

The Internal auditor is directly reporting to the Audit Committee covering the scope of Internal Audit.

**e) Policy for Determining 'Material' Subsidiaries:**

The Company does not have any material subsidiary. Hence the necessity for complying with respect to framing a policy for determining the material subsidiary does not arise.

**f) Policy on dealing with related party transactions is available**

The Policy on dealing with related party transactions is available in our Company's website [www.tvbrakelinings.com](http://www.tvbrakelinings.com)

**g) Disclosure of Commodity Price Risks and Commodity Hedging Activities**

The Company has commodity price risk, primarily related to the purchase of Steel and Aluminium. However, the Company does not bear any significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers and the Company does not indulge in any commodity hedging activities.

**h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised funds through preferential allotment or qualified institutions placement during the year ended March 31, 2023.

**i) Certificate from Practicing Company Secretary regarding disqualification of Directors**

None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

**j) Details of recommendations of Committees which were not accepted by the board along with reasons:**

During the year ended March 31, 2023, all recommendations made by the Committees of the Board of Directors (viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee & CSR Committee) were accepted by the Board of the Company.

**k) Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors**

M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No.000511S) are the Statutory Auditors of the Company. The particulars of payment made to Statutory Auditors' fees, on consolidated basis is given below:

S. No.	Particulars	Amount (in Lakhs)
1.	Audit Fees	10.50
2.	Tax Audit Fees	2.00
3.	Other Services	1.45
4.	Reimbursement of expenses	0.99
	<b>Total</b>	<b>14.94</b>

**l. Statement of Complaints in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	Status
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

**11. Non-compliance of any requirement of S. No 2 to 10 of schedule V of Regulation 34 of SEBI (LODR) Regulations, 2015**

The Company has complied with all the requirement of corporate governance report which is mentioned in S. No. 2 to 10 of Schedule V of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**12. Affirmation that the corporate governance report has disclosed the extent to which the discretionary requirements as specified in Part E of the Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has adopted the requirements as per Regulations 27(1) read with Part E of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as detailed in this Report.

**13. 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	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary companies	NA
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

**Disclosures with respect to demat suspense account/unclaimed suspense account:**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Not Applicable
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	
Number of shareholders to whom shares were transferred from suspense account during the year;	
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	
the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	

**DECLARATION SIGNED BY THE MANAGING DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT IS PROVIDED BELOW:**

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

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 31<sup>st</sup> March 2023.

Place: Chennai  
Date: May 26, 2023

**KRISHNA MAHESH**  
Managing Director

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**DECLARATION OF COMPLIANCE OF INDEPENDENCE CRITERIA BY INDEPENDENT DIRECTORS**

Based on our examination of the relevant Declaration on Independence and according to the information and explanations provided to us, in the opinion of the Board, it is confirmed that the Independent Directors on the Board of the Company are complying the required 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.

Further, it is hereby confirmed that the Members of the Board have affirmed that the Independent Directors have adhered to the standards as set out in the Code for Independent Directors as provided under Schedule IV of the Act.

Place: Chennai  
Date: May 26, 2023

**KRISHNA MAHESH**  
Managing Director

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## INFORMATION TO SHAREHOLDERS

Shareholders are requested to 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 and Factory of the Company at Padi, Chennai - 600 050 for obtaining the mandate format for their execution and return for credit of dividend to their bank account under ECS.

The 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.

The Shareholders are requested to kindly note that any dividend which remains unclaimed / un-encashed for a period of seven years will be transferred to Investors Education and Protection Fund - IEPF in terms of Section 124 of the Companies Act, 2013 and the rules made thereunder. Out of the dividends declared for all the financial years including and up to the financial year 2011-12, the amount which remained unclaimed has been transferred to the IEPF as per the provision of Section 124 of the Companies Act, 2013.

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.

Place: Chennai  
Date: May 26, 2023

**KRISHNA MAHESH**  
Managing Director

## **INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)**

**To**

### **The Members of Sundaram Brake Linings Limited**

1. The Corporate Governance Report prepared by Sundaram Brake Linings Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **AUDITOR'S RESPONSIBILITY**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

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## **OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 1 above.

## **OTHER MATTERS AND RESTRICTION ON USE**

10. This Report 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.
11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For M/s BRAHMAYYA & CO  
Chartered Accountants  
Firm Registration Number: 000511S

K JITENDRAKUMAR  
Partner

Membership No. 201825  
UDIN: 23201825BGUKDH1903

Place: Chennai  
Date: May 26, 2023



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the Financial Year 2022-23**

[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**

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s. Sundaram Brake Linings Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Sundaram Brake Linings Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March 2023 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 to the Company during the audit period)**
- (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014; **(Not applicable to the Company during the audit period)**

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- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - (f) 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; **(Not Applicable)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period).**

Other Laws specifically applicable to this Company is as follows:

- (vi) Legal Metrology Act, 2009

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We 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.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032

Peer Review Cert. No.: 667/2020  
UDIN: F002969E000395185

Place: Chennai  
Date: 26.05.2023

**ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,

The Members  
Sundaram Brake Linings Limited  
Chennai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032

Peer Review Cert. No.: 667/2020  
UDIN: F002969E000395185

Place: Chennai  
Date: 26.05.2023

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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause 10 (i) of the SEBI  
(Listing Obligation and Disclosure Requirements) Regulations, 2015

To

**The Members of**

Sundaram Brake Linings Limited  
Padi, Chennai - 600 050.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sundaram Brake Linings Limited having CIN: L34300TN1974PLC006703 and having registered office at Padi, Chennai - 600 050 (hereinafter referred as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Krishna Mahesh	00420048	06.02.2016
2	Mr. P S Raman	00003606	29.07.2004
3	Mr. T. Kannan*	00040674	16.07.1999
4	Mr. K S D Sambasivam	01937321	27.10.2010
5	Ms. Sandhya Subramanyam	02753843	29.09.2014
6	Ms. Shobhana Ramachandran	00273837	13.08.2019
7	Ms. Shripriya Mahesh Ramanan	08632277	12.02.2020
8	Mr. Gopalawamy Ramachandramouli	01868645	27.05.2022
9	Mr. Venkataraman Subramanian	09099119	27.05.2022

Mr. K S Ranganathan & Mr. Ashok V Chowgule resigned from the Board on 27<sup>th</sup> May, 2022 & 12<sup>th</sup> November, 2022 respectively and \*Mr. T Kannan demised on 23<sup>rd</sup> May, 2023.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032

Place: Chennai  
Date: 26.05.2023

Peer Review Cert. No.: 667/2000  
UDIN: F002969E000395218

## INDEPENDENT AUDITOR'S REPORT

To

**The Members of Sundaram Brake Linings Limited**

### Report on the Audit of the Financial Statements

#### 1. Opinion

We have audited the financial statements of Sundaram Brake Linings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### 4. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based

on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **6. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the 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 Indian Accounting Standards prescribed 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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**";
- g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

- h) 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: 37 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend is declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 000511S

K Jitendra Kumar  
Partner

Membership No: 201825  
UDIN NO: 23201825BGUKDG2860

Place: Chennai  
Date: 26<sup>th</sup> May, 2023



## ANNEXURE A TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2023, to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment (PPE).  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the PPE are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The physically verification of PPE have been conducted by the management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued any of its PPE (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Management has conducted physical verification of inventory at reasonable intervals which in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The Company has made investments in companies and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

## M/s BRAHMAYYA & CO

Chartered Accountants

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- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The company has complied with the provisions of section 185 and 186 of the Companies Act 2013, with respect to the loans and investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Companies Act 2013, during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, duty of Customs, duty of excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes except the following:

Name of the Statute	Nature of the dues	Total amount (in Lakhs)	Financial year to which amount relates	Forum where dispute is pending
Tamil Nadu VAT Act 2006	Disallowance of Input Tax Credit	28.04	2009-10, 2013-14 and 2014-15	Assistant Commissioner (Commercial Taxes)
Tamil Nadu General Sales Tax Act 1959	Sales Tax	14.86	1986-87 1992-93 and 2009-10	Sales Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	0.29	2016-17	Commissioner of Income Tax (Appeals), Chennai

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
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- (c) The Company has applied term loans for the purpose for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) There are no subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable
- (x)
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
- (a) No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi)
- (a) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - (b) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
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## M/s BRAHMAYYA & CO

Chartered Accountants

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- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The company does not have ongoing projects and section 135(6) of the Act is not applicable to the company. Hence reporting under clause 3(xx)(b) of the Order is not applicable.
- (xxi) The company is not having any subsidiaries and therefore not required to draw any consolidated financial statements. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 000511S

K Jitendra Kumar  
Partner

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

Membership No: 201825  
UDIN NO: 23201825BGUKDG2860

## ANNEXURE - B TO THE 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 March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### 1. 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. 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.

#### 2. 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, to the extent applicable to an audit of internal financial controls, 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.

#### 3. 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.

**4. 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.

**5. 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 March 31, 2023, 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 BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 000511S

K Jitendra Kumar  
Partner

Membership No: 201825  
UDIN NO: 23201825BGUKDG2860

Place: Chennai  
Date: 26<sup>th</sup> May, 2023

# SUNDARAM BRAKE LININGS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		(₹ in lakhs)	
	Note No.	As at 31.03.2023	As at 31.03.2022
<b>(I) ASSETS</b>			
<b>1. Non-current Assets</b>			
a) Property, Plant & Equipment	5	6,380.79	6,435.11
b) Right of use assets	5	267.47	270.73
c) Capital Work-in-progress		48.98	100.26
d) Investment Property	6	35.82	36.11
e) Other Intangible Assets	5	32.20	73.16
f) Intangible assets under development		81.92	48.55
		6,847.18	6,963.92
g) Financial Assets			
(i) Investments	7	92.94	92.69
(ii) Other financial assets	8	356.23	199.65
h) Non Current tax assets (Net)		-	6.18
i) Other Non-Current Assets	9	143.01	162.60
		592.18	461.12
<b>2. Current Assets</b>			
a) Inventories	10	5,567.05	4,849.25
b) Financial Assets			
(i) Trade Receivables	11	6,898.46	6,447.40
(ii) Cash and Cash Equivalents	12	25.38	28.97
(iii) Other financial assets	13	233.08	102.87
c) Other Current assets	14	442.69	857.99
		13,166.66	12,286.48
		20,606.02	19,711.52
<b>(II) EQUITY AND LIABILITIES:</b>			
<b>1. EQUITY</b>			
a) Equity Share Capital	15	393.46	393.46
b) Other Equity	16	8,147.57	8,669.68
		8,541.03	9,063.14
<b>LIABILITIES</b>			
<b>2. Non-current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	17	493.63	0.00
b) Provisions	18	65.54	88.16
c) Deferred Tax Liabilities (Net)	19	917.49	979.08
		1,476.66	1,067.24
<b>3. Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	20	4,503.57	4,164.13
(ii) Trade Payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		2,258.02	1,239.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,814.91	2,986.65
(iii) Other financial Liabilities	22	857.22	1,051.84
b) Other Current Liabilities	23	145.57	130.57
c) Provisions	24	8.62	8.95
d) Liabilities for tax (Net)		0.42	-
		10,588.33	9,581.14
		20,606.02	19,711.52
<b>Significant Accounting Policies</b>	2		

See Accompanying Notes to the financial Statements

KRISHNA MAHESH  
Managing Director

SANDHYA SUBRAMANYAM  
Director

V SRINIVASAN  
Chief Financial Officer

As per our Report Annexed  
for Brahmayya & Co;  
Chartered Accountants  
(FRN 000511S)

K JITENDRA  
KUMAR  
Partner

Place : Chennai  
Date : May 26, 2023

Y SATHYAN  
Company Secretary & Compliance Officer

Membership No. 201825

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

		(₹ in lakhs)		
	Note No.	For the period ended 31.03.2023	For the year ended 31.03.2022	
I.	Revenue from operations	25	35,483.84	29,520.03
II.	Other income	26	276.54	319.69
III.	<b>Total Revenue</b>		<b>35,760.38</b>	<b>29,839.72</b>
IV.	<b>Expenses</b>			
	Cost of materials consumed	27	21,701.36	16,938.20
	Changes in inventories of finished goods and work-in-progress	28	(330.35)	(356.37)
	Employee benefit expenses	29	4,289.65	4,201.32
	Finance cost	30	371.57	180.72
	Depreciation and amortisation expense	5 & 6	610.82	599.15
	Other expenses	31	9,657.08	8,489.80
	<b>Total expenses</b>		<b>36,300.13</b>	<b>30,052.82</b>
V.	Profit/ (Loss) before exceptional and extra-ordinary items and tax (III - IV)		(539.75)	(213.10)
VI.	Exceptional items			
	i. Reversal of Liability towards contracts with customers	-	-	433.33
	ii. Additional depreciation on tools due to change in useful life	-	-	(206.96)
VII.	<b>Profit/ (Loss) Before Tax (V - VI)</b>		<b>(539.75)</b>	<b>13.27</b>
VIII.	Tax expense:			
	- Current Tax		-	2.07
	- Prior Period Tax		-	-
	- Deferred Tax Liability (net)		(61.59)	3.43
IX.	<b>Profit/ (Loss) for the period from continuing operations (VII - VIII)</b>		<b>(478.16)</b>	<b>7.77</b>
X.	<b>Profit/ (Loss) for the period from discontinued operations if any</b>		-	-
XI.	<b>Profit/ (Loss) for the period (IX + X)</b>		<b>(478.16)</b>	<b>7.77</b>
XII.	<b>Other Comprehensive Income</b>			
	a) (i) Item that will not be reclassified to Profit or Loss		(43.95)	45.07
	(ii) Income Tax relating to item that will not be reclassified to Profit or Loss		-	(7.03)
	b) (i) Item that will be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to item that will be reclassified to Profit or Loss		-	-
XIII.	<b>Total Comprehensive Income for the period (XI + XII) (Comprising of Profit/ (Loss) and other comprehensive Income)</b>		<b>(522.11)</b>	<b>45.81</b>
XIV	<b>Earnings per equity share - Basic and Diluted Rs.</b>	32	(12.15)	0.20
	(Face Value Rs. 10)			
	<b>Significant Accounting Policies</b>	2		
	See Accompanying Notes to the financial Statements			

KRISHNA MAHESH  
Managing Director

SANDHYA SUBRAMANYAM  
Director

V SRINIVASAN  
Chief Financial Officer

As per our Report Annexed  
for Brahmayya & Co;  
Chartered Accountants  
(FRN 000511S)

K JITENDRA  
KUMAR

Place : Chennai  
Date : May 26, 2023

Y SATHYAN  
Company Secretary & Compliance Officer

Partner  
Membership No. 201825



# SUNDARAM BRAKE LININGS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
(₹ in lakhs)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	(539.75)	13.27
<b>Adjustments for:</b>		
Depreciation and Amortization	610.82	806.11
Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)	(23.37)	(6.54)
Other adjustments	(43.95)	45.07
Profit / (Loss) on Sale of fixed assets	0.00	(0.82)
Payable written back	(70.79)	(576.34)
Provision for leave encashment	(22.95)	(7.59)
Interest Income	(16.90)	(6.46)
Interest Expenses	371.57	180.72
<b>Cash Generated Before Working Capital Changes</b>	<b>264.68</b>	447.42
<b>Movement In Working Capital</b>		
Increase / (Decrease) in Trade Payables	845.32	703.70
Increase / (Decrease) in Other Financial Liabilities	(19.60)	202.39
Increase / (Decrease) in Other Liabilities	15.00	(27.25)
(Increase) / Decrease in Trade Receivables	(424.14)	53.83
(Increase) / Decrease in Inventories	(717.80)	(1,421.37)
(Increase) / Decrease in Other Financial Assets	(278.70)	(50.99)
(Increase) / Decrease in Other Assets	419.64	(58.00)
<b>Cash Generated From Operations</b>	<b>104.41</b>	(150.27)
Direct Taxes Paid (net)	6.68	(58.19)
<b>Net Cash Flow From / (Used in) Operating Activities</b>	<b>111.09</b>	(208.46)
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of PPE and Intangible Assets	(583.13)	(768.68)
Proceeds from Sale of PPE	0.00	1.00
Purchase of Non Current Investments /Advance	(0.25)	(0.21)
Deposit made for Margin money for Bank Guarantee	0.00	0.00
Sale of Non Current Investments	0.00	0.00
Interest Income Received	8.81	8.14
<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>(574.57)</b>	(759.75)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023 (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
(₹ in lakhs)		
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from/(to) Short - Term Borrowings (Net) *	281.35	1,518.16
Proceeds from Long Term Borrowings	718.00	0.00
Repayment of Long Term Borrowings	(167.88)	(366.00)
Interest Paid	(371.57)	(180.72)
<b>Net Cash Flow From / (Used in) Financing Activities</b>	<b>459.90</b>	<b>971.44</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3.59)	3.23
Cash and Cash Equivalents at the beginning of the year	28.97	25.74
Cash and Cash Equivalents at the end of the year	<b>25.38</b>	28.97
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	24.11	26.06
Balances with Banks		
-On Current Accounts	1.17	2.81
-On Deposit Accounts	0.10	0.10
Cheques, Drafts on hand	0.00	0.00
<b>Cash and cash Equivalent (as per Note 12)</b>	<b>25.38</b>	<b>28.97</b>
Non Cash Investment/Financing Activities		
*Foreign Exchange Movement	(1.59)	(34.63)

### Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.

KRISHNA MAHESH  
Managing Director

SANDHYA SUBRAMANYAM  
Director

V SRINIVASAN  
Chief Financial Officer

As per our Report Annexed  
for Brahmayya & Co;  
Chartered Accountants  
(FRN 000511S)

K JITENDRA  
KUMAR  
Partner

Place : Chennai  
Date : May 26, 2023

Y SATHYAN  
Company Secretary & Compliance Officer

Membership No. 201825

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### STATEMENT OF CHANGES IN EQUITY

#### Statement of Change in Equity As at 31 March 2023

##### A. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of current reporting period	393.46	393.46
Changes in Equity Sahare Capital due to Prior period errors	-	-
Restated balance at the beginning of current reporting period	393.46	393.46
Change in Equity Share Capital	-	-
<b>Balance at the end of current reporting period</b>	<b>393.46</b>	<b>393.46</b>

##### B. OTHER EQUITY

₹ Lakhs

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserves	Securities Premium	Retained Earnings	Equity Instrument through Other Comprehensive Income	Other Items of Other Comprehensive Income	
Balance at the beginning of current reporting period	4,849.38	0.03	1,700.43	2,119.23	0.61	0.00	8,669.68
Profit for the year				(478.16)			(478.16)
Other Comprehensive Income						(43.95)	(43.95)
Total Comprehensive Income for the Year				(478.16)	0.00	(43.95)	(522.11)
Transfer from retained earnings				(37.09)		37.09	0.00
Balance at the end of current reporting period	4,849.38	0.03	1,700.43	1,603.98	0.61	(6.86)	8,147.57
Balance at the beginning of previous reporting period	4,849.38	0.03	1,700.43	2,087.93	0.61	(14.51)	8,623.87
Other Comprehensive Income						38.04	38.04
Total Comprehensive Income for the Year				7.77		38.04	45.81
Transfer from retained earnings				23.53		(23.53)	0.00
Balance at the end of previous reporting period	4,849.38	0.03	1,700.43	2,119.23	0.61	0.00	8,669.68

##### General reserve

The general reserve is a free reserve. The company transfers profits from time to time to general reserve.

##### Capital reserve

The Company recognises excess amount received on Reissue of forfeited shares.

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

KRISHNA MAHESH  
Managing Director

SANDHYA SUBRAMANYAM  
Director

V SRINIVASAN  
Chief Financial Officer

As per our Report Annexed  
for Brahmayya & Co;  
Chartered Accountants  
(FRN 000511S)

K JITENDRA  
KUMAR  
Partner

Place : Chennai  
Date : May 26, 2023

Y SATHYAN  
Company Secretary & Compliance Officer

Membership No. 201825

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### **Note 1. Corporate Information**

Sundaram Brake Linings Limited ('the company') is a public limited company incorporated in India whose shares are publicly traded. The registered office is located at Padi, Chennai - 600 050, Tamil Nadu, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The company manufactures asbestos free friction materials. The company has five manufacturing plants located in Tamil Nadu.

The financial statements were approved by the Board of Directors and authorised for issue on May 26, 2023

### **Note 2. Significant Accounting Policies**

#### **(a) Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified ) and guidelines issued by the Securities and Exchange Board of India (SEBI). The IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the company operate.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### **(b) Foreign Currency Translation and transactions:**

##### **Initial Recognition.**

On initial recognition, all foreign currency transactions (other than advance receipt or payment of foreign currency) receipts or payments are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. The foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

##### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### (c) **Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below).

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value at 5% of Cost.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for Tools & Moulds - based on experience, the useful life of Tools & Moulds considered to be 15 years.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

### (d) **Investment properties :**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### (e) Intangible Assets:

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation:

Intangible assets with finite life are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. Intangible assets are amortised on straight-line method over ten years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### (g) LEASES

#### 1. The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e .the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. When ever the terms of the lease transfer substantially all the risks and rewards of owner ship to the lessee ,the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease

***Lease-hold land:***

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

### (h) Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Inventories:

Stores and Spares and Tools	At weighted average cost
Components	At weighted average cost
Work in progress	At Cost
Finished Goods	At Lower of cost and net realisable value
Stock in trade	At Cost

Stocks of stores, spares and tools, components and stock in trade are valued at cost and not written down below cost to net realisable value since the finished products and the services in which they are to be incorporated are expected to be sold / billed at or above cost.

### (i) Financial Instruments:

#### Financial Assets:

##### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### **Financial Liabilities**

#### **Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### **Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 – "Financial Instruments" are satisfied. For liabilities designated as Fair Value through Profit and Loss ("FVTPL"), fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income ("OCI"). These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate ('EIR'). The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(j) Provisions and contingent liabilities and Contingent Assets:**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

### **(k) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **(l) Revenue recognition:**

a) The Company derives revenues primarily from sale of products. Revenue is recognized when the promised goods are transferred to the customer and the customer obtains control over them. In the sale of goods, control is typically transferred to the customer on delivery to the transporter. Invoicing usually takes place at the same time. Revenue is measured at the transaction price that is expected to be received as consideration and adjusted for volume discounts, price concessions and incentives or increased/decreased by agreed and estimated price adjustments, if any. Revenue also excludes taxes collected from customers.

Ind AS 115 requires Company to present a contract as an asset or a liability based on the relationship between its performance and the customer's payment. Contract assets (Trade receivable) recognized in the statement of financial position represent the Company's right to receive consideration for goods already transferred to customers. In contrast, contract liabilities (Advance received from customers/) are presented when the Company has already received consideration from customers for goods still to be transferred and amount payable on volume discounts, price concessions and incentives or increased/decreased by agreed and estimated price adjustments.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### Use of significant judgement in revenue recognition

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions, incentives and increased/decreased by agreed and estimated price adjustments. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

- b) Dividends are accounted when the right to receive is established.
- c) Interest income is accrued on a time proportion basis using the effective interest rate method.

### (m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

### (n) Employee Benefits:

#### Employee Benefits

#### (i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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(iii) Post-employment obligations

The company operates the following post-employment schemes:

- Retirement benefits in the form of Provident Fund are a defined contribution plan and the contributions are recognised, when the contributions to the fund are due. Both the employees and the Company make monthly contributions to the government administered Employees Provident Fund equal to a specified percentage of the covered employee's salary.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Superannuation: Certain employees of the company are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

(o) **Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) **Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) **Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences in the foreseeable future and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

### (p) **Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

### (q) **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### (r) **Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares, if any, on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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### (s) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

### Note 3. Critical accounting estimates and judgments and other notes

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

### **Note 4. Standards issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendments are as below:

Ind AS 12 - Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its standalone financial statements.



# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

### 5. PROPERTY, PLANT AND EQUIPMENT

Description	Property, Plant and Equipment								Right of use assets	Other Intangible Assets		
	Free hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total	Leasehold Land	Intangibles (Software)	Technical Knowhow	Total
<b>Cost of Assets</b>												
As at 01-04-2021	107.01	1,449.65	7,613.23	18.64	21.68	33.45	38.24	9,281.89	293.49	20.01	128.19	148.20
Additions		16.54	914.18		3.78	2.37	4.53	941.39	0.00	5.66		5.66
<b>Sub-total</b>	<b>107.01</b>	<b>1,466.19</b>	<b>8,527.41</b>	<b>18.64</b>	<b>25.45</b>	<b>35.81</b>	<b>42.77</b>	<b>10,223.28</b>	<b>293.49</b>	<b>25.68</b>	<b>128.19</b>	<b>153.86</b>
Sales / deletion	0.00	0.00	0.00	0.00	0.00	0.00	2.66	2.66				0.00
<b>Total</b>	<b>107.01</b>	<b>1,466.19</b>	<b>8,527.41</b>	<b>18.64</b>	<b>25.45</b>	<b>35.81</b>	<b>40.11</b>	<b>10,220.62</b>	<b>293.49</b>	<b>25.68</b>	<b>128.19</b>	<b>153.86</b>
<b>Depreciation / Amortisation</b>												
Upto 31-03-2021		343.55	2,593.91	17.03	21.63	28.32	21.11	3,025.56	19.51	8.50	32.05	60.06
For the year		64.89	688.83	0.60	3.03	0.56	4.51	762.42	3.26	8.10	32.05	40.15
<b>Sub-total</b>	<b>0.00</b>	<b>408.44</b>	<b>3,282.74</b>	<b>17.63</b>	<b>24.66</b>	<b>28.88</b>	<b>25.62</b>	<b>3,787.98</b>	<b>22.77</b>	<b>16.61</b>	<b>64.09</b>	<b>80.70</b>
Withdrawn on assets sold / deleted	0.00	0.00	0.00	0.00	0.00	0.00	2.47	2.47	0.00			0.00
<b>Depreciation / Amortisation Total</b>	<b>0.00</b>	<b>408.44</b>	<b>3,282.74</b>	<b>17.63</b>	<b>24.66</b>	<b>28.88</b>	<b>23.15</b>	<b>3,785.51</b>	<b>22.77</b>	<b>16.61</b>	<b>64.09</b>	<b>80.70</b>
<b>As on 31-03-2022</b>	<b>107.01</b>	<b>1,057.75</b>	<b>5,244.66</b>	<b>1.00</b>	<b>0.79</b>	<b>6.93</b>	<b>16.96</b>	<b>6,435.11</b>	<b>270.73</b>	<b>9.07</b>	<b>64.09</b>	<b>73.16</b>
<b>Cost of Assets</b>												
As at 01-04-2022	107.01	1,466.19	8,527.41	18.64	25.45	35.81	40.11	10,220.62	293.49	25.68	128.19	153.86
Additions	0.00	116.64	393.69	0.00	0.00	1.41	0.26	512.00	0.00	0.00	0.00	0.00
<b>Sub-total</b>	<b>107.01</b>	<b>1,582.83</b>	<b>8,921.10</b>	<b>18.64</b>	<b>25.45</b>	<b>37.23</b>	<b>40.36</b>	<b>10,732.62</b>	<b>293.49</b>	<b>25.68</b>	<b>128.19</b>	<b>153.86</b>
Written off	0.00	0.00	586.12	0.00	0.00	0.00	0.00	586.52	0.00	0.00	0.00	0.00
<b>Total</b>	<b>107.01</b>	<b>1,582.83</b>	<b>8,334.58</b>	<b>18.64</b>	<b>25.45</b>	<b>37.23</b>	<b>40.36</b>	<b>10,146.10</b>	<b>293.49</b>	<b>25.68</b>	<b>128.19</b>	<b>153.86</b>
<b>Depreciation / Amortisation</b>												
Upto 31-03-2022	0.00	408.44	3,282.74	17.63	24.66	28.88	23.15	3,785.51	22.77	16.61	64.09	80.70
For the year	0.00	65.03	470.07	0.51	2.32	1.07	3.84	542.84	3.26	0.00	40.96	40.96
Additions	0.00	11.05	12.31	0.00	0.00	0.11	0.00	23.48	0.00	0.00	0.00	0.00
Written off	0.00	0.00	586.52	0.00	0.00	0.00	0.00	586.52	0.00	0.00	0.00	0.00
<b>Depreciation / Amortisation Total</b>	<b>0.00</b>	<b>484.52</b>	<b>3,180.93</b>	<b>18.14</b>	<b>24.66</b>	<b>30.06</b>	<b>26.99</b>	<b>3,765.31</b>	<b>26.03</b>	<b>16.61</b>	<b>105.06</b>	<b>121.66</b>
<b>As on 31-03-2023</b>	<b>107.01</b>	<b>1,098.31</b>	<b>5,153.65</b>	<b>0.50</b>	<b>0.79</b>	<b>7.16</b>	<b>13.38</b>	<b>6,380.79</b>	<b>267.46</b>	<b>9.07</b>	<b>23.13</b>	<b>32.20</b>

- There are no immovable properties for which title deeds are not in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
- The Company has not revalued its Property, Plant and Equipment during the year.

Ageing Schedule	Capital work in progress		Intangible Assets under development	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Particulars</b>				
< 1 Years	29.78	90.16	33.37	-
1 - 2 Years	19.20	10.10	48.55	48.55
2 - 3 Years	-	-	-	-
More than 3 Years	-	-	-	-
<b>Total</b>	<b>48.98</b>	<b>100.26</b>	<b>81.92</b>	<b>48.55</b>

Note: 1. There are no Projects temporarily suspended.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	As at 31.03.2023	As at 31.03.2022
(₹ in lakhs)		
<b>6 INVESTMENT PROPERTY</b>		
<b>a) Residence Apartment</b>		
Residence Apartment at Chennai (RA Puram)	44.78	44.78
Opening Accumulated Depreciation	(8.67)	(8.38)
Depreciation for the year	(0.29)	(0.29)
Closing Accumulated Depreciation	(8.96)	(8.67)
	<u>35.82</u>	<u>36.11</u>
<b>NON-CURRENT ASSETS</b>		
<b>7 NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Investments - Non-Trade</b>		
a) Investments in equity instruments: *		
i. 8,157 equity shares (Previous Year - 5,657 equity shares) of ₹ 10/- each fully paid up of Engineered Power Resources India Private Limited (cost ₹ 81,570/-)	0.85	0.60
ii. 1,100 Class "C" equity shares (Previous Year - 1,100) of ₹10/- each with a premium of ₹ 126/- per share fully paid up of Suryadev Alloys & Power Private Limited (cost ₹ 1,49,600/-)	2.08	2.08
iii. 3,00,000 Class "B" equity shares (Previous Year - 3,00,000) of ₹ 10/- each with a premium of ₹ 20/- per share fully paid up of Suryadev Alloys & Power Private Limited (cost ₹ 90,00,000/-)	90.00	90.00
	92.93	92.68
b) Others:		
500 shares (Previous Year 500 shares) of ₹ 1/-each fully paid up of TVS Co-operative Stores Limited (cost ₹ 500/-)	0.01	0.01
* The right to sell / transfer these shares are subject to terms and conditions of respective shareholder agreement	92.94	92.69
<b>8 OTHER FINANCIAL ASSETS</b>		
a) Security Deposits	340.23	160.26
b) Loans and Advances to Employees	16.00	39.39
	<u>356.23</u>	<u>199.65</u>
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables – credit impaired	-	-
<b>9 OTHER NON-CURRENT ASSETS</b>		
a) Capital Advances	10.36	25.61
b) Cenvat / VAT / Service Tax Credit Receivable	104.61	104.61
c) Taxes Paid Under protest	28.04	32.38
	<u>143.01</u>	<u>162.60</u>

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>CURRENT ASSETS</b>		
<b>10 INVENTORIES</b>		
a) Raw Materials:		
i) In stock	2,738.01	2,421.48
ii) In transit	214.26	94.03
b) Work-in-progress	343.41	232.26
c) Finished goods	1,749.01	1,529.81
d) Spares and Stores	371.62	392.38
e) Loose tools	150.74	179.29
	<u>5,567.05</u>	<u>4,849.25</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.		
<b>11 TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
a) More than six months	48.48	43.03
b) Others	6,849.98	6,404.37
	<u>6,898.46</u>	<u>6,447.40</u>
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
<b>Trade Receivable Ageing Schedule:</b>		
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>Undisputed Trade receivable</b>	<b>Undisputed Trade receivable</b>
	<b>Considered good      Credit impaired</b>	<b>Considered good      Credit impaired</b>
<b>Outstanding for the following periods from due date of payment</b>		
Not due	5,892.38      -	5,902.40      -
Less than 6 Months	957.60      -	506.57      -
6 Months to 1 Year	31.14	7.14
1 - 2 Years	4.15      -	17.17      -
2 - 3 Years	4.38      -	13.62      -
More than 3 Years	8.81      -	0.50      -
<b>Total</b>	<u>6,898.46</u> -	<u>6,447.40</u> -
Note: There are no disputed trade receivable.		

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	As at 31.03.2023	As at 31.03.2022
(₹ in lakhs)		
<b>12 CASH AND CASH EQUIVALENTS</b>		
a) <b>Balances with banks</b>		
i) on Current Account with banks	1.17	2.81
ii) On Deposit Accounts with bank with maturity less than three months from Balance Sheet Date	0.10	0.10
	1.27	2.91
iii) Cash on Hand	24.11	26.06
	<u>25.38</u>	<u>28.97</u>
<b>13 OTHER FINANCIAL ASSETS</b>		
a) Loans and advances to related parties	-	-
b) Others		
Interest receivable	12.47	4.38
Loans and Advances to Employees	18.79	30.70
Other	201.82	67.79
	<u>233.08</u>	<u>102.87</u>
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables – credit impaired	-	-
<b>14 OTHER CURRENT ASSETS</b>		
a) Loans and advances to related parties	-	-
b) Others		
i) Prepaid Expenses	168.84	222.93
ii) Advances for services / goods	185.92	246.76
iii) Goods and Services Tax - Input Credit / TDS	77.62	145.09
iv) Export incentive receivable	8.77	242.00
iv) Receivables / Claims	1.54	1.21
	<u>442.69</u>	<u>857.99</u>
Export incentive balance		
Opening balance-1st April	242.00	417.55
Income accrued during the year	97.07	140.39
Amount received/Scrip Utilised during the year	330.30	315.94
Closing balance	<u>8.77</u>	<u>242.00</u>

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

### 15 SHARE CAPITAL

#### Authorised

50,00,000 equity shares of ₹ 10/- each

500.00

As at 31.03.2022

500.00

#### Issued, Subscribed and Paid-up

39,34,575 equity shares of ₹ 10/- each fully paid up

393.46

393.46

- a) The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 10/-.
- b) Each holder of equity shares is entitled to one vote per share.
- c) The Company declares and pays dividends in Indian Rupees.  
Investments in equity instruments: \*
- d) 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.
- e) 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.
- f) During the last five years immediately preceding the date of the Balance Sheet, the Company has not issued any shares as bonus shares or without payment being received in cash or has bought back any shares
- g) During the financial year Nil (Previous Year Nil) shares pertaining to the share holders, whose dividend were unclaimed for seven years, were transferred to Investor Education and Protection Fund (IEPF) Account.  
Respective shareholder agreement
- h) 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 31.03.2023		As at 31.03.2022	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Madurai Alagar Enterprises private limited	1,285,290	32.67	1,285,290	32.67
Krishna Mahesh	544,608	13.84	544,608	13.84
Shrimathi Mahesh	257,412	6.54	-	0.00

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

### l) Shares held by promoters at the end of

	As at 31.03.2023		Changes during the year	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Usha Krishna	90	0.00		
Arathi Krishna	120	0.00		
Suresh Krishna	480	0.01		
Sundram Fasteners Investments Limited	7,800	0.20		
Mala Ramesh	9,570	0.24		
Krishna Ramesh	10,081	0.26		
Mridula Ramesh	10,092	0.26		
Urmila Ramesh .	11,049	0.28		
TVS Upasana Limited	13,900	0.35		
Mahesh K	54,409	1.38		
Suresh Krishna-HUF	-	-	(100,000)	-2.54
Shrimathi Mahesh	257,412	6.54	100,000	2.54
Rajarajeswari Farms (P) Ltd	177,988	4.52		
Alagar Farms (P) Ltd	195,895	4.98		
Krishna Mahesh	544,608	13.84		
Madurai Alagar Enterprises Private Limited	1,285,290	32.67		
	<b>2,578,784</b>	<b>65.54</b>		

### Shares held by promoters at the end of

	As at 31.03.2022		Changes during the year	
	No.	% holding	No.	% holding
<b>Equity shares of Rs.10 each fully paid</b>				
Usha Krishna	90	0.00		-
Arathi Krishna	120	0.00		-
Suresh Krishna	480	0.01		-
Sundram Fasteners Investments Limited	7,800	0.20		-
Mala Ramesh	9,570	0.24		-
Krishna Ramesh	10,081	0.26	-	-
Mridula Ramesh	10,092	0.26		-
Urmila Ramesh .	11,049	0.28		-
TVS Upasana Limited	13,900	0.35		-
Mahesh K	54,409	1.38		-
Suresh Krishna-HUF	100,000	2.54		-
Shrimathi Mahesh	157,412	4.00	-	-
Rajarajeswari Farms (P) Ltd	177,988	4.52		-
Alagar Farms (P) Ltd	195,895	4.98		-
Krishna Mahesh	544,608	13.84		-
Madurai Alagar Enterprises Private Limited	1,285,290	32.67	-	-
	<b>2,578,784</b>	<b>65.54</b>		

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
<b>16 RESERVES AND SURPLUS</b>		
a) <b>Capital Reserves</b>		
i) <b>Share premium account</b>		
As per last Balance Sheet	1,700.43	1,700.43
ii) <b>Reissue of forfeited shares</b>		
As per last Balance Sheet	0.03	0.03
Total (i + ii)	<u>1,700.46</u>	<u>1,700.46</u>
b) <b>Revenue Reserves</b>		
i) <b>General Reserve</b>		
As per last Balance Sheet	4,849.38	4,849.38
	<u>4,849.38</u>	<u>4,849.38</u>
ii) <b>Retained Earnings</b>		
As per last Balance Sheet	2,119.23	2,087.93
Profit After Tax for the year	(478.16)	7.77
	<u>1,641.07</u>	<u>2,095.70</u>
Transfer (to) Other Comprehensive Income	(43.95)	23.53
Proposed dividend	0.00	0.00
Tax on dividend including surcharge and cess	0.00	0.00
	<u>1,597.12</u>	<u>2,119.23</u>
iii) <b>Other Comprehensive Income</b>		
a) <b>To be reclassified to Profit &amp; Loss</b>		
As per last Balance Sheet	0.61	0.61
Changes in fair value of investments	0.00	0.00
	<u>0.61</u>	<u>0.61</u>
b) <b>Not to be reclassified to Profit &amp; Loss</b>		
As per last Balance Sheet	0.00	(14.51)
Actuarial gain / (loss) on Gratuity	(43.95)	45.07
Less: Deferred Tax on the above	0.00	(7.03)
Less :Transfer from retained earnings	43.95	(23.53)
	<u>(0.00)</u>	<u>0.00</u>
Total (i + ii + iii)	<u>6,447.11</u>	<u>6,969.22</u>
	<u>8,147.57</u>	<u>8,669.68</u>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	As at 31.03.2023	As at 31.03.2022
(₹ in lakhs)		
<b>NON-CURRENT LIABILITIES</b>		
<b>17 BORROWINGS</b>		
Secured Borrowings		
Term Loan from a Bank	493.63	-
a) From ICICI Bank, Chennai secured primarily by extension of First charge on the entire Current Assets of the company and Collaterally by First Charge on fixed assets of the company and equitable Mortgage over company's immovable properties. Loan repayable in 16 Quarterly instalments starting 12 months from the date of first disbursal (From March 2023)	-	-
	<u>493.63</u>	<u>-</u>
<b>18 LONG-TERM PROVISIONS</b>		
On account of employee benefits		
Provision for Leave Encashment	65.54	88.16
	<u>65.54</u>	<u>88.16</u>
<b>19 DEFERRED TAX LIABILITIES (NET)</b>		
a) Deferred Tax Liability		
On account of depreciation	955.94	1,064.18
b) Deferred Tax Asset		
On account of employee benefits	(38.45)	(85.10)
	<u>917.49</u>	<u>979.08</u>
<b>CURRENT LIABILITIES</b>		
<b>20 BORROWINGS</b>		
a) Current maturities of long term debt:		
i. From ICICI Bank (PY: From State Bank of India) referred to in 17 above	179.50	123.00
b) Cash Credit from ICICI Bank and State Bank of India 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)	4,324.07	4,041.13
	<u>4,503.57</u>	<u>4,164.13</u>
Other notes		
a) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.		
b) Quarterly returns or statements of current assets filed by the Company for the sanction of working capital loans with banks or financial institutions are not materially different with that of books of accounts.		
c) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.		



# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
<b>21 TRADE PAYABLES</b>		
(A) Total outstanding dues of micro enterprises and small enterprises	2,258.02	1,239.00
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,814.91	2,986.65
	<b>5,072.93</b>	<b>4,225.65</b>
Total outstanding dues of Micro, Small and Medium Enterprises:		
a) Principal amount remaining unpaid	2,258.02	1,239.00
b) Interest due thereon	-	-
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid	-	-
f) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

### Trade Payable Ageing Schedule:

	March 31, 2023		March 31, 2022	
	MSME	Others	MSME	Others
<b>a) Un-billed and not due</b>	<b>3.10</b>	<b>533.66</b>	4.62	329.21
	<u>3.10</u>	<u>533.66</u>	<u>4.62</u>	<u>329.21</u>
<b>b) Outstanding for the following periods from due date of payment</b>				
Not due	1,876.74	1,151.07	1,159.50	2,057.96
Less than 1 Year	371.99	1,115.24	74.88	580.05
1 - 2 Years	6.19	4.12	-	15.46
2 - 3 Years	-	7.84	-	2.84
More than 3 Years	-	2.97	-	1.14
	<u>2,254.92</u>	<u>2,281.24</u>	<u>1,234.38</u>	<u>2,657.45</u>
	<u>2,258.02</u>	<u>2,814.90</u>	<u>1,239.00</u>	<u>2,986.66</u>

Note: There are no disputed trade payables

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	As at 31.03.2023	As at 31.03.2022
(₹ in lakhs)		
<b>22 OTHER FINANCIAL LIABILITIES</b>		
a) Interest Accrued and but not due	-	-
b) Salaries and other benefits Payable	<b>183.59</b>	132.98
c) Amount payable in respect of Purchase of Fixed Assets	<b>80.92</b>	185.15
d) Liability towards contracts with customers	<b>228.85</b>	264.14
e) Other Payable	<b>363.86</b>	469.56
	<u><b>857.22</b></u>	<u>1,051.83</u>
Liability towards contracts with customers includes amount payable to customers for volume discounts, incentives, price difference and rebates		
<b>23 OTHER CURRENT LIABILITIES</b>		
a) Statutory dues	<b>100.61</b>	110.64
b) Advances from customers	<b>44.96</b>	19.93
	<u><b>145.57</b></u>	<u>130.57</u>
Advances from customers is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards Sale of goods. Revenue is recognised once the performance obligation is met. Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 19.93 Lakhs		
<b>24 SHORT-TERM PROVISIONS</b>		
a) Provision for employee benefits		
Provision for Leave Encashment	<b>8.62</b>	8.95
	<u><b>8.62</b></u>	<u>8.95</u>

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
(₹ in lakhs)		
<b>25 REVENUE FROM OPERATIONS</b>		
a) Total revenue from contracts with customers	<b>35,310.04</b>	29,263.14
b) Other operating revenue		
i) Export duty drawback and other incentives*	<b>97.07</b>	140.39
ii) Scrap Sales	<b>76.73</b>	43.54
iii) Miscellaneous Income	-	72.96
	<b>173.80</b>	256.89
	<b><u>35,483.84</u></b>	<b><u>29,520.03</u></b>
Set out below is the disaggregation of the Company's revenue from contracts with customers: (The Company derives its revenue from the transfer of goods at a point of time)		
Original Equipment	<b>17,338.87</b>	12,642.84
After Market	<b>6,919.06</b>	5,453.59
Export	<b>11,601.64</b>	11,756.41
	<b><u>35,859.57</u></b>	<b><u>29,852.84</u></b>
Reconciliation of revenue recognized with the contracted price is as follows:		
Contracted price	<b>35,859.57</b>	29,852.84
Reductions towards variable consideration components	<b>549.53</b>	589.70
Revenue recognised	<b><u>35,310.04</u></b>	<b><u>29,263.14</u></b>
The reduction towards variable consideration comprises of volume discounts, incentives, and rebates etc.		
<b>26 OTHER INCOME</b>		
a) Interest Income	<b>16.90</b>	6.46
b) Cash discount	-	10.70
c) Gain on foreign currency transactions	<b>185.47</b>	150.66
d) Profit on sale of Assets	-	0.82
e) Insurance Claim	<b>0.05</b>	1.49
f) Payable Written back	<b>70.79</b>	143.01
g) Others	<b>3.21</b>	5.83
h) Other Non-Operating Revenue		
i) Rent	<b>0.12</b>	0.72
	<b>0.12</b>	0.72
	<b><u>276.54</u></b>	<b><u>319.69</u></b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
(₹ in lakhs)		
<b>27 COST OF MATERIALS CONSUMED - RAW MATERIALS AND COMPONENTS</b>		
Opening Stock : Raw materials and Components	2,421.48	1,385.80
Add: Purchase of Raw Materials and Components	22,017.89	17,973.88
	<u>24,439.37</u>	<u>19,359.68</u>
Less : Closing Stock -Raw materials and Components	2,738.01	2,421.48
	<u>21,701.36</u>	<u>16,938.20</u>
Raw materials comprise of resins, glass fibre and other metals and chemicals		
<b>28 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
a) Opening Stocks:		
i) Work in progress	232.26	262.41
ii) Finished goods	1,529.81	1,143.29
	<u>1,762.07</u>	<u>1,405.70</u>
b) Closing Stocks:		
i) Work in progress	343.41	232.26
ii) Finished goods	1,749.01	1,529.81
	<u>2,092.42</u>	<u>1,762.07</u>
Net (increase)/decrease	<u>(330.35)</u>	<u>(356.37)</u>
<b>29 EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries, wages, bonus	3,354.48	3,366.50
b) Contribution to Employee benefit funds:		
i) Provident Fund	198.23	179.74
ii) Gratuity Fund	32.70	39.79
iii) Other funds	52.95	60.41
c) Staff welfare expenses	651.29	554.88
	<u>4,289.65</u>	<u>4,201.32</u>
<b>30 FINANCE COST</b>		
a) Interest expense	371.57	180.72
	<u>371.57</u>	<u>180.72</u>

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
(₹ in lakhs)		
<b>31 OTHER EXPENSES</b>		
a) Stores consumed : Stores and spares		
i) Stores and Spares	<b>1,089.52</b>	954.19
ii) Loose Tools	<b>342.38</b>	339.98
	<b>1,431.90</b>	1,294.17
b) Power and Fuel	<b>3,390.58</b>	2,671.74
c) Rent	<b>1.15</b>	5.78
d) Rates and Taxes	<b>224.18</b>	202.31
e) Insurance	<b>106.05</b>	103.61
f) Repairs to Building	<b>405.88</b>	270.44
g) Repairs to Machinery	<b>580.80</b>	582.67
h) Other Repairs	<b>123.87</b>	85.61
i) Travelling expenses	<b>345.76</b>	229.10
j) Packing and Forwarding	<b>1,567.47</b>	1,511.72
k) Advertisement and Publicity	<b>76.32</b>	34.49
l) Sitting fees	<b>4.25</b>	3.75
m) Auditors' remunerations		
i) As auditors	<b>10.50</b>	10.50
ii) Tax Audit Fees	<b>2.00</b>	2.00
iii) Other services	<b>1.45</b>	1.45
iv) Reimbursement of expenses	<b>0.99</b>	0.60
	<b>14.94</b>	14.55
n) Postage and Telephones	<b>47.60</b>	49.12
o) Research and Development expenses - refer Note no. 34	<b>528.42</b>	372.65
p) Commission on Sales	<b>235.10</b>	232.94
q) Professional and legal Fee	<b>158.23</b>	218.93
r) Royalty	<b>-</b>	148.99
s) Bank Charges	<b>92.51</b>	79.98
t) Printing and stationery	<b>66.79</b>	57.72
u) Donation	<b>0.10</b>	7.82
v) Security Charges	<b>179.50</b>	166.68
w) Miscellaneous expenses	<b>75.68</b>	145.03
	<b>9,657.08</b>	8,489.80

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	For the year ended 31.03.2022
<b>32 EARNING PER SHARE</b>		
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 - ₹ lacs	(478.16)	7.77
Number of Equity shares	3,934,575	3,934,575
Face value per share	₹ 10	₹ 10
Earnings per share (EPS)	(12.15)	0.20

### 33 SEGMENT REPORTING:

The operations of the Company relate only to one segment viz., friction materials.

Geographical Segements:

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows

- Sales within India include Sales to customers located within India.
- Sales outside India include sales to customers located outside India

Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's total revenue of operations by geographical market, regardless of where the goods were produced:

		₹ Lakhs
Particulars	For the period ended 31.03.2023	For the year ended 31.03.2022
Within India	24,257.93	18,096.43
Outside India	11,601.64	11,756.41
Total	35,859.57	29,852.84
The following table shows the carrying amount of trade receivables by geographical segments		
Particulars		
Within India	3,324.65	3,631.81
Outside India	3,573.81	2,815.59
Total	6,898.46	6,447.40

All other assets (other than trade receivables) used in the Company's business are located in India and are used to cater to both the categories of customers (within India and outside India), accordingly the total cost incurred during the year to acquire Plant & Equipment and intangible assets has not been disclosed.

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

	For the period ended 31.03.2023	For the year ended 31.03.2022
<b>34 EXPENDITURE ON RESEARCH AND DEVELOPMENT</b>		
(a) Capital Expenditure	-	5.50
(b) Revenue Expenditure		
- Raw Material & Components consumed	91.58	43.79
- Stores & Tools consumed	36.57	72.40
- Power cost	84.91	73.07
- Travelling expenses	23.91	8.48
- Product development expenses	143.35	77.50
- Other expenses	174.45	143.85
<b>R&amp;D Revenue Expenditure excluding employee benefit expenses</b>	<b>554.77</b>	<b>419.08</b>
Add : R&D employees' Salaries, Wages & Bonus included in Employee Benefit Expenses under Note No.29	272.14	307.70
	<b>826.91</b>	726.78
Less: Other income (Insurance Claim)	-	18.40
Total R&D Revenue Expenditure	<b>826.91</b>	708.38
<b>Total R&amp;D Expenditure</b>	<b>826.91</b>	<b>713.88</b>

## 35 EMPLOYEE BENEFITS

### Defined Contribution Plans

#### (i) Superannuation

Eligible employees receive pension from Life Insurance Corporation of India, which is a defined contribution plan. Monthly Pension is paid after retirement, death, incapacitation or termination of employment for the life time and amount lying credit after the death is paid to the nominee. Company make every year contributions to Life Insurance Corporation of India (Group Superannuation policy) at specified percentage of the covered employee's salary.

The Company recognized ₹ 15.52 lakhs (Previous year ₹ 27.72 Lakhs) for superannuation contribution in the profit and loss account

- (ii) In respect of the State Plans (Employee State Insurance), an amount of ₹ 34.47 Lakhs (Previous year : ₹ 32.63 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

#### (ii) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions to a government administered pension fund on behalf of its employees.

The Company recognized ₹ 198.23 Lakhs ( Previous Year ₹ 179.74 Lakhs ) for provident fund contribution in the Statement of profit and loss.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Defined Benefit Plans

#### (i) Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to Life Insurance Corporation of India (Group gratuity policy)

₹ Lakhs

	<b>Gratuity</b>	
	<b>For the period ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>
<b>Net Employee benefit expense recognized in the employee cost in statement of profit &amp; loss account</b>		
Current service cost	36.95	41.43
Interest cost on benefit obligation	36.51	37.06
Expected return on plan assets	(40.76)	(38.70)
<b>Sub Total</b>	<b>32.70</b>	<b>39.79</b>
<b>Recognised in Other Comprehensive Income</b>		
Net actuarial (gain)/loss recognized in the year		
i. Demographic Assumptions on obligation	-	-
ii. Financial Assumptions on obligation	47.82	(42.75)
iii. Experience Adjustments on obligation	-	-
iv. Financial Assumptions on plan assets	(3.87)	(2.32)
<b>Sub Total</b>	<b>43.95</b>	<b>(45.07)</b>
<b>Net benefit expense</b>	<b>76.65</b>	<b>(5.28)</b>
<b>Balance Sheet</b>		
<b>Benefit asset / liability</b>		
Present value of defined benefit obligation	568.79	544.57
Fair value of plan assets	572.05	580.21
<b>Assets / (Liability) recognized in the balance sheet</b>	<b>3.26</b>	<b>35.64</b>
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	544.57	554.72
Benefit transferred in	-	-
Benefit transferred Out	-	-
Benefits paid	(97.05)	(45.89)



# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

₹ Lakhs

	<b>Gratuity</b>	
	<b>For the period ended 31.03.2023</b>	For the year ended 31.03.2022
<b>Expenses Recognised in Statement of Profit and Loss Account</b>		
Current service cost	36.95	41.43
Interest cost on benefit obligation	36.51	37.06
<b>Recognised in Other Comprehensive Income</b>		
Actuarial (gain)/loss on obligation	47.82	(42.75)
<b>Closing defined benefit obligation</b>	<b>568.79</b>	<b>544.57</b>
<b><u>Change in the fair value of plan assets</u></b>		
Opening fair value of plan assets	646.60	637.81
Contributions by employer	44.26	13.66
Contributions transfer in	-	-
Benefits paid	(97.05)	(45.89)
<b>Expenses Recognised in Profit and Loss Account</b>		
Expected return	40.76	38.70
<b>Recognised in Other Comprehensive Income</b>		
Actuarial (gain) / loss on plan assets	3.87	2.32
<b>Closing fair value of plan assets</b>	<b>638.44</b>	<b>646.60</b>
<b>Investment details of the plan assets:</b> Company has deposited with Life Insurance Corporation of India (Group gratuity policy)		
<b><u>Assumptions</u></b>		
Discount Rate (%)	7.23%	7.36%
Estimated Rate of Return on Plan Assets	7.23%	7.36%
Attrition Rate p.a. (depending on age)	2.00%	2.00%
Expected rate of salary increase (%)	5.00%	5.00%
Expected Average Remaining Service (years)	16.81	16.39
Expected Average Remaining Service/mortality and withdrawal (years)	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	For the period ended 31.03.2023	₹ Lakhs For the year ended 31.03.2022
<b>Expected cash flow for the following year</b>		
Expected employer contribution	NA	NA
Expected total benefits payments		
Year 1	22.23	36.20
Year 2	95.60	67.00
Year 3	36.40	53.97
Year 4	44.82	35.73
Year 5	38.65	40.43
Next 5 Years	298.44	225.55

Sensitivity analysis of the defined benefit obligation Particulars	0.5% Increase		0.5% Decrease	
	2023	2022	2023	2022
Impact of the change in discount rate	543.58	520.58	596.00	570.48
Impact of the change in salary increase	596.87	571.35	542.57	519.57

### (iii) Leave encashment

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

Particulars	For the period ended 31.03.2023	₹ Lakhs For the year ended 31.03.2022
<b>36 CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account other than investment property and not provided for	-	47.58

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the period ended 31.03.2023	For the year ended 31.03.2022
<b>37 CONTINGENT LIABILITIES - NOT PROBABLE AND THEREFORE NOT PROVIDED FOR</b>		
<b>A. Claims disputed by the company</b>		
a) Claims against the company not acknowledged as debt		
1) Sales Tax under dispute	23.74	23.74
2) Excise Duty (Disallowance of Cenvat credit) #	6.23	6.23
3) Liability towards Labour cases	7.30	7.30
# ₹ 6.23 lakhs was paid as deposit towards disallowance of cenvat credit.		
4) Income Tax under dispute		
The Company has received Assessment order for Assessment year 2017-18 making disallowance of losses carried forward for Assessment Years 2013-14, 2014-15 & 2017-18 based on the disallowances made by the Assessing Officer for these Assessment Years, for which the Company's appeals filed with the first appellate authority are pending for decisions. The Company has filed an appeal with the first appellate authority and the same is pending for decision.		
The Company had during the previous year, received Assessment order for Assessment year 2018-19 making disallowance of ₹ 3.79 Lakhs and addition of ₹ 73.39 lakhs towards reduction in profit because of application of Income Computation & Discloser Standards, thereby reducing the loss carried forward. The Company has filed an appeal with the first appellate authority and the same is pending for decision.		
The Company had during FY 2019-20, received Assessment order for Assessment year 2017-18 making disallowance of ₹ 0.02 Lakh and addition of ₹ 37.87 lakhs towards interest under section 244A, thereby reducing the loss carried forward. The Company has filed an appeal with the first appellate authority and the same is pending for decision.		
The Company had filed appeals with the first appellate authority against the Assessment Orders received for Assessment Year 2013-14 and 2014-15 making disallowance of expenditure for ₹ 143.75 lakhs and ₹ 85.29 lakhs respectively, there by reducing the loss carried forward which are pending for decision.		
b) Guarantees		
1) Bank Guarantee	12.16	11.12

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	(₹ in lakhs)	
	For the period ended 31.03.2023	For the year ended 31.03.2022
<b>38 INCOME TAX EXPENSE</b>		
a) Income tax expense in the statement of profit and loss comprises:		
Current tax	<b>0.00</b>	2.07
Excess provision for Tax - Prior Period Tax	<b>0.00</b>	
Deferred tax	<b>(61.59)</b>	3.43
	<b>(61.59)</b>	5.50
Decrease (increase ) in deferred tax assets	<b>46.65</b>	14.40
(Decrease) increase in deferred tax liabilities	<b>(108.24)</b>	(18.72)
Total deferred tax expenses/(benefit)	<b>(61.59)</b>	(4.32)
Income tax expense	<b>(61.59)</b>	(2.25)

b) Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

₹ in Lakhs

	31-Mar-23				31-Mar-22			
	Opening balance	Recognised/ reversed through profit or loss	Recognised in/reclassified from other comprehensive income	Closing balance	Opening balance	Recognised/ reversed through profit or loss	Recognised in/reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to								
Property, plant and equipment and Intangible assets	<b>(981.74)</b>	<b>31.04</b>		<b>(950.70)</b>	(1,026.34)	44.60		(981.74)
Provision for Employee Benefits	<b>(5.24)</b>	<b>38.45</b>		<b>33.21</b>	42.79	(48.03)		(5.24)
Expenditure incurred under voluntary retirement scheme	<b>7.90</b>	<b>(7.90)</b>		<b>0.00</b>	7.90	0.00		7.90
Net deferred tax Asset (Liability)	<b>(979.08)</b>	<b>61.59</b>	<b>0.00</b>	<b>(917.49)</b>	(975.65)	(3.43)	0.00	(979.08)

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

₹ in Lakhs

	<b>For the period ended 31.03.2023</b>	For the year ended 31.03.2022
<b>39 EXPENDITURE ON CORPATE SOCIAL RESPONSIBILITY ACTIVITIES</b>		
1. Gross amount required to be spent by the company during the year	<b>0.00</b>	7.72
2. Amount of expenditure incurred on:		
(i) Contruccion/ acquisition of any asset	<b>0.00</b>	0.00
(ii) On purposes other than above	<b>0.00</b>	7.75
3. Shortfall at the end of the year	<b>0.00</b>	0.00
4. Total of previous years' shortfall	<b>0.00</b>	0.00
5. Reason for shortfall	<b>Not Applicable</b>	Not Applicable
6. Nature of CSR Activities		
<p>The Company during the previous financial year had spent an amount of ₹ 7.75 lakhs consisting of (i) 2.25 lakhs towards providing educational charts to the students of Single Teacher Schools, Tamil Nadu; (ii) ₹ 2.25 lakhs towards providing cursive writing note books to the students of Single Teacher Schools, Tamil Nadu; &amp; (iii) ₹ 3.25 lakhs towards providing writing note books to the students of Single Teacher Schools, Tamil Nadu.</p>		
7. Details of related parties in relation to CSR expenditure	<b>Not Applicable</b>	Not Applicable

## 40 RELATED PARTY DISCLOSURE

a) Description of relationship and Names of related Parties	
i) Subsidiaries	None
ii) Associates	None
iii) Group member (upto 4th February 2022)	<ul style="list-style-type: none"> <li>(i) TVS Mobility Private Limited</li> <li>(ii) Trichur Sundaram Santhanam &amp; Family Private Limited</li> <li>(iii) Sundaram-Clayton Limited, Chennai</li> <li>(iv) TVS Motor Company Limited, Chennai</li> <li>(v) Brakes India Private Limited, Chennai</li> <li>(vi) India Motor Parts &amp; Accessories Limited, Chennai</li> <li>(vii) Sundaram Industries Private Limited, Madurai</li> <li>(viii) Southern Roadways Limited, Madurai</li> <li>(ix) Lucas Indian Service Limited</li> </ul>
iv) Key Management Personnel	<p>Mr. Krishna Mahesh, Managing Director</p> <p>Mr. S Ramabadrnan, CFO (upto 30.11.2022) &amp; Company Secretary (upto 19.09.2022)</p> <p>Mr. V. Srinivasan, CFO (From 07.12.2022)</p> <p>Mr. Y. Sathyan, Company Secretary (From 19.09.2022)</p>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- |  |   |
|--|---|
| v) Relatives of Key Management Personnel   | Mrs. Shrimathi Mahesh<br>Ms. Shripriya Mahesh Ramanan   |
| vi) Enterprise with common Key Management Personnel                                      | None  |
| vii) Enterprise in which relatives of Key Management Personnel have significant interest | T V Sundram Iyengar & Sons Private Limited<br>Madurai Alagar Enterprises Private Limited<br>Alagar Farms Private Limited<br>Alagar Resins Private Limited |

₹ in lakhs

Sl. No.	Name of transactions	Name of the Company	For the period ended 31.03.2023	For the year ended 31.03.2022
	Sale of goods	Madurai Alagar Enterprises Private Limited	617.00	0.00
	Reimbursement of expenses	Madurai Alagar Enterprises Private Limited	29.38	0.00
	Commission on sales	Madurai Alagar Enterprises Private Limited	19.12	0.00
	Rent received	Alagar Farms Private Limited	0.12	0.12
	Contract Manufacture charges	Alagar Resins Private Limited	793.30	563.07
	Purchase of Raw Materials	Alagar Resins Private Limited	319.00	240.74
	Purchase of Raw Materials	Alagar Farms Private Limited	544.18	384.38
	Managerial Remuneration paid	Mr. Krishna Mahesh	9.45	106.68
	Sitting Fees paid	Ms Shripriya Mahesh Ramanan	0.20	0.25
	Remuneration paid	Mr S Ramabadran	22.01	43.12
	Interest received	Mr S Ramabadran	0.23	0.35
	Loan repaid	Mr S Ramabadran	29.40	0.00
	Remuneration paid	Mr. V. Srinivasan	14.26	NA
	Remuneration paid	Mr. Y. Sathyan	14.36	NA
	Sale of goods	T V Sundram Iyengar & Sons Private Limited	NA	1,250.89
	Sale of goods	TVS Mobility Private Limited	NA	33.01
	Sale of goods	Trichur Sundaram Santhanam & Family Private Limited	NA	135.09
	Sale of goods	T V S Motor Company Limited	NA	721.99
	Sale of goods	Brakes India Private Ltd.	NA	6,822.08
	Sale of goods	India Motor Parts & Accessories Limited	NA	1,429.34
	Rent received	T V Sundram Iyengar & Sons Private Limited	NA	0.60
	Purchase of Raw Materials	Sundaram Industries Private Limited	NA	137.85

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

				₹ in lakhs	
Sl. No.	Name of transactions	Name of the Company	For the period ended 31.03.2023	For the year ended 31.03.2022	
	Freight charges	Southern Roadways Private Limited	NA	82.53	
	Purchase of Spares	Lucas Indian Service Limited	NA	9.55	
	Reimbursement of expenses	T V Sundram Iyengar & Sons Private Limited	NA	1.52	
	Reimbursement of expenses	Sundaram-Clayton Limited	NA	3.44	
	Reimbursement of expenses	Brakes India Private Ltd.	NA	3.44	
	Outstanding as on 31st March				
	Receivables	Madurai Alagar Enterprises Private Limited	110.06	105.75	
		TVS Mobility Private Limited	NA	39.77	
		Trichur Sundaram Santhanam & Family Private Limited	NA	132.56	
		T V S Motor Company Limited	NA	187.78	
		Brakes India Private Ltd.	NA	1,662.23	
		India Motor Parts & Accessories Limited	NA	103.85	
	Receivables towards claims made for Reimbursement of expenses	T V Sundram Iyengar & Sons Private Limited	NA	0.00	
		Sundaram-Clayton Limited	NA	3.44	
		Brakes India Private Ltd.	NA	2.20	
	Outstanding as on 31st March				
	Payables	Alagar Resins Private Limited	202.29	11.35	
		Alagar Farms Private Limited	80.44	63.43	
		Southern Roadways Private Limited	NA	17.99	
		Lucas Indian Service Limited	NA	2.47	
		Sundaram Industries Private Limited	NA	11.61	
	Outstanding as on 31st March				
	Advance outstanding	Mr S Ramabadran	0.00	29.40	

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### a. Capital Management

The objective of the Company's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. Management monitors the long term cash flow requirements including externally imposed capital requirements of the business in order to assess the requirement for changes to the capital structure to meet the said objective. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2023.

#### b. Financial Risk Management Framework

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

#### Risk Exposures and Responses

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

##### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk i.e. interest rate risk, currency risk, and Commodity risk.

##### Interest rate risk

The company obtains financing through borrowings. The Company's policy is to obtain the most favourable interest rates available.

The Company's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

##### Sensitivity Analysis

An increase/decrease of 100 basis points in interest rate at the end of the reporting period for the variable financial instruments would (decrease)/increase profit before tax for the year by the amounts shown below. This analysis assumes all other variables remain constant.

	₹ in lakhs	
	Profit / (Loss) before tax	
	March 31, 2023	March 31, 2022
Financial Liabilities - Borrowings		
+ 1% (100 basis points)	(43.34)	(35.09)
-1% (100 basis points)	43.34	35.09
Financial Assets - Loans (not significant)		

There is no hedging instruments to mitigate this risk.

##### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from transactions i.e. imports of materials, recognised assets and liabilities denominated in a currency that is not the company's functional currency.



# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Company's Total Foreign currency exposure:

		(Unhedged)		
Particulars		March 31, 2023		
	Currency	Exchange Rate	Amount in Foreign Currency	Amount in Rs. Lacs
Trade Receivables	EUR	89.28	0.63	56.39
	GBP	101.56	0.54	54.89
	USD	82.11	30.27	2,485.22
	CAD	60.70	0.59	35.68
Bank Balance	USD	82.11	0.00	0.36
Trade Payables	USD	82.11	1.59	130.54
	EUR	89.28	0.54	48.55
	JPY	0.62	31.59	19.59
Foreign currency loans	USD	82.11	8.05	661.08
March 31, 2022				
Trade Receivables	EUR	84.22	0.93	78.07
	GBP	99.83	0.80	79.96
	USD	75.90	25.52	1,936.63
Bank Balance	USD	75.90	0.00	0.35
Trade Payables	USD	75.90	1.83	138.63
	EUR	84.22	-	-
	JPY	0.63	120.86	76.14
Foreign currency loans	USD	75.90	11.30	857.48

### Sensitivity

If foreign currency rates had moved as illustrated in the table below, with all other variables held constant, currency fluctuations on unhedged foreign currency denominated financial instruments, pre tax profit would have been affected as follows:

₹ in lakhs

		Profit / (Loss) before tax	
		March 31, 2023	March 31, 2022
USD sensitivity			
INR/USD- increase by 5%		(37.34)	(42.10)
INR/USD- decrease by 5%		37.34	42.10

### Commodity Risk

The company has commodity price risk, primarily related to the purchases of Steel and Aluminium. However, the company do not bear significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade and other receivables), including short-term deposits with banks, and other financial assets.

Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales.

The company is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the company's financial results. The company attempts to mitigate credit risk by assessing the creditworthiness of customers and closely monitoring payment history. The Company had taken credit risk insurance for the export receivable.

There have been no material impairments to trade or other receivables in the two years included within these financial statements and no indication of enhanced customer credit risk.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31<sup>st</sup> March, 2023, and consequently no material provisions are required for bad and doubtful debts.

### iii. Liquidity risk

Liquidity risk arises from the company's management of working capital and the continued availability of its other funding facilities. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company actively manages its cash generation and maintains sufficient cash holdings to cover its immediate obligations.

₹ Lakhs

31-Mar-23				
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash credit	3,842.49			3,842.49
Term Loan from a Bank	179.50	179.50	314.13	673.13
Trade and other payables	3,672.13			3,672.13
Bank loans	661.08			661.08
Total	8,355.20	179.50	314.13	8,848.83
31-Mar-22				
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash credit	3,306.65			3,306.65
Term Loan from a Bank	123.00	-		123.00
Trade and other payables	4,038.49			4,038.49
Bank loans	857.48			857.48
Total	8,325.62	-	-	8,325.62

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 42 FAIR VALUE MEASUREMENTS

#### i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

#### ii. Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)

- a. Financial assets measured at fair value – recurring fair value measurements

₹ in lakhs

31 March 2023	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	-	92.94	92.94
<b>Total</b>	-	-	92.94	92.94

31 March 2022	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	-	92.69	92.69
<b>Total</b>	-	-	92.69	92.69

The fair value of unquoted equity Shares is determined using Level 3 inputs like Discounted cash flows, Market multiple method, Option pricing model etc.

There are no transfer between levels during the periods.

#### b. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

₹ in lakhs

	March 31, 2023		
	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>			
Investments			
Equity Shares		92.94	
Trade receivables			6,898.46
Loans			18.79
Cash and cash equivalents			1.27
Bank Balances			-
Other Financial Assets			570.52
<b>Total</b>	-	92.94	7,489.04

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

₹ in lakhs

	March 31, 2023		
	FVTPL	FVOCI	Amortised Cost
<b>Financial liabilities</b>			
Borrowings			4,503.57
Trade payables			2,814.91
Other Financial Liabilities			857.22
<b>Total</b>	-	-	8,175.70

	March 31, 2022		
	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>			
Investments			
Equity Shares		92.69	
Trade receivables			6,447.40
Loans			30.70
Cash and cash equivalents			2.91
Bank Balances			-
Other Financial Assets			271.82
<b>Total</b>	-	92.69	6,752.83
<b>Financial liabilities</b>			
Borrowings			4,164.13
Trade payables			2,986.65
Other Financial Liabilities			1,051.84
<b>Total</b>	-	-	8,202.62

All financial instruments are carried at amortised cost and the carrying value of the Company's financial assets and liabilities is considered to approximate to their fair value at each reporting date.

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

### 43 FINANCIAL RATIO ANALYSIS AND ITS ELEMENTS

<b>a. Ratio</b>	Current Ratio		
<b>Numerator</b>	Current Assets		
<b>Denominator</b>	Current Liabilities		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Current Assets (A)		13,167	12,286
Current Liabilities (B)		10,588	9,581
<b>Current Ratio (C) = (A) / (B)</b>		1.24	1.28
<b>%Change from previous year</b>		(3.03%)	
<b>b. Ratio</b>	Debt Equity Ratio		
<b>Numerator</b>	Total Debt [represents current and non-current borrowings]		
<b>Denominator</b>	Shareholders' equity [represents total equity]		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Total debt (A)		4,997	4,164
Shareholder's equity (B)		8,541	9,063
<b>Debt equity ratio (C) = (A) / (B)</b>		0.59	0.46
<b>%Change from previous year</b>		27.34%	
Reason for Change: Due to increase in activity level during the year			
<b>c. Ratio</b>	Debt service coverage ratio		
<b>Numerator</b>	Earnings available for debt service		
<b>Denominator</b>	Debt service		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
<b>Profit after tax for the year (A)</b>		(478)	8
Add: Non cash operating expenses and finance cost			
Depreciation and Amortisation expense (B)		611	599
Finance costs (C)		372	181
<b>Earnings available for debt services (D) = (A)+(B)+(C)</b>		504	788
Finance costs (E)		372	181
Repayment of non-current borrowings (F)		168	366
Payment of principal portion of lease liabilities (G)			
		<b>As at 31-Mar-23</b>	As at 31-Mar-22
<b>Debt service (H) = (E) + (F) + (G)</b>		539	547
<b>Debt service coverage ratio (I) = (D) / (H)</b>		0.93	1.44
<b>%Change from previous year</b>		(35.12%)	
Reason for Change: Due to decrease in PAT for the year ended 31.03.2023			

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

<b>d. Ratio</b>	Return on equity [%]		
<b>Numerator</b>	Restated loss after tax		
<b>Denominator</b>	Average Shareholder's Equity		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Profit after tax for the year (A)		<b>(478.16)</b>	7.77
Closing shareholder's equity (B)		<b>8,541.03</b>	9,063.14
Average shareholder's equity [(opening + closing) /2] (C)		<b>8,802.09</b>	9,059.26
Return on equity [%] (D) = (A)/(C) *100		<b>(0.0543)</b>	0.000858
<b>%Change from previous year</b>		<b>(6,433.72%)</b>	
<b>e. Ratio</b>	Inventory turnover ratio		
<b>Numerator</b>	Cost of goods sold		
<b>Denominator</b>	Average inventory		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Cost of goods sold (A)		<b>21,371</b>	16,582
Closing Inventory (B)		<b>5,567</b>	4,849
Average inventory [(opening + closing) /2] (C)		<b>5,208</b>	4,139
<b>Inventory turnover ratio (D) = (A)/(C)</b>		<b>4.10</b>	4.01
<b>%Change from previous year</b>		<b>2.24%</b>	
<b>f. Ratio</b>	Trade receivables turnover ratio		
<b>Numerator</b>	Revenue from operations		
<b>Denominator</b>	Average trade receivables		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Revenue from operations (A)		<b>35,860</b>	29,853
Closing Trade Receivables		<b>6,898</b>	6,447
Average Trade Receivables [(opening + closing) /2] (B)		<b>6,673</b>	5,857
<b>Trade receivables turnover ratio (C) = (A) / (B)</b>		<b>5.37</b>	5.10
<b>%Change from previous year</b>		<b>5.44%</b>	
<b>g. Ratio</b>	Trade payables turnover ratio		
<b>Numerator</b>	Total purchases		
<b>Denominator</b>	Average trade payables		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Total purchases * (A)		<b>22,018</b>	17,974
Closing Trade Payables		<b>5,073</b>	4,226
Average Trade Payables [(opening + closing) /2] (B)		<b>4,649</b>	3,876
<b>Trade payables turnover ratio (C) = (A) / (B)</b>		<b>4.74</b>	4.64
<b>%Change from previous year</b>		<b>2.14</b>	
Reason for Change: Due to increase in activity level during the year			

# SUNDARAM BRAKE LININGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

<b>h. Ratio</b>	Net capital turnover ratio		
<b>Numerator</b>	Revenue from operations		
<b>Denominator</b>	Working capital		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Revenue from operations (A)		<b>35,484</b>	29,520
Working Capital (Current Assets - Current Liabilities) (B)		<b>13,167</b>	12,286
<b>Net capital turnover ratio (C) = (A) / (B)</b>		<b>2.69</b>	2.40
<b>%Change from previous year</b>		<b>12.17%</b>	

<b>i. Ratio</b>	Net profit ratio [%]		
<b>Numerator</b>	Profit after tax		
<b>Denominator</b>	Revenue from operations		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Profit after tax for the year (A)		<b>(478.16)</b>	7.77
Revenue from operations (B)		<b>35,483.84</b>	29,520.03
<b>Net profit [%] (C) = (A) / (B) * 100</b>		<b>(0.01348)</b>	0.00026
<b>%Change from previous year</b>		<b>(5219.63%)</b>	

Reason for Change: Due to decrease in PAT for the year ended 31.03.2023

<b>j. Ratio</b>	Return on capital employed [%]		
<b>Numerator</b>	Earning before interest and taxes		
<b>Denominator</b>	Capital Employed (Total equity, Total borrowings and Total lease liabilities)		
<b>Ratios/ Measures</b>		<b>As at 31-Mar-23</b>	As at 31-Mar-22
Profit after tax for the year (A)		<b>(478.16)</b>	7.77
<b>Adjustments</b>			
Add: Total tax expense (B)		<b>(61.59)</b>	5.50
Add: Finance costs (C)		<b>371.57</b>	180.72
<b>Earnings before interest and tax (D) = (A) + (B) + (C)</b>		<b>(168.18)</b>	193.99
Total equity (E)		<b>8,541.03</b>	9,063.14
Current and Non-current borrowing (F)		<b>4,997.20</b>	4,164.13
Current and Non-current lease liability (G)			
<b>Capital Employed (H) = (E) + (F) + (G)</b>		<b>13,538.23</b>	13,227.27
<b>Return on capital employed [%] (I) = (D) / (H) * 100</b>		<b>(0.0124)</b>	0.0147
<b>%Change from previous year</b>		<b>(184.70%)</b>	

Reason for Change: Due to decrease in PAT for the year ended 31.03.2023

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(₹ in lakhs)

<b>k. Ratio</b>	Return on investment [%]
<b>Numerator</b>	Interest income on fixed deposits + Profit on sale of investments + Income of investments - Impairment on value of investment
<b>Denominator</b>	Current investment + Non current investments + Fixed deposits with bank
<b>Not applicable</b>	<b>No investments are made by the company</b>

### 44 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - 2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) Relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 are as follows:-

Name of the struck off Company	Nature of transaction	As at March 31, 2023	As at March 31, 2022	Relationship with the Struck off Company
DBS Capital Markets Pvt. Ltd	Shares held by struck off company	3000 Equity Shares	3000 Equity Shares	Shareholder

45 Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current period's classification.

KRISHNA MAHESH  
Managing Director

SANDHYA SUBRAMANYAM  
Director

V SRINIVASAN  
Chief Financial Officer

As per our Report Annexed  
for Brahmayya & Co;  
Chartered Accountants  
(FRN 000511S)

K JITENDRA  
KUMAR

Partner

Place : Chennai  
Date : May 26, 2023

Y SATHYAN  
Company Secretary & Compliance Officer

Membership No. 201825

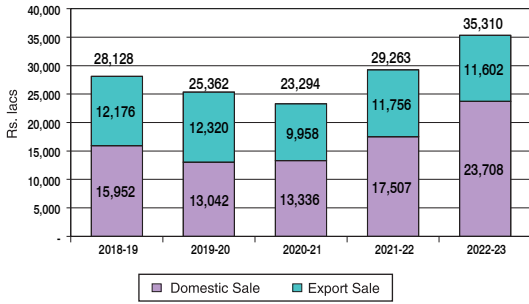




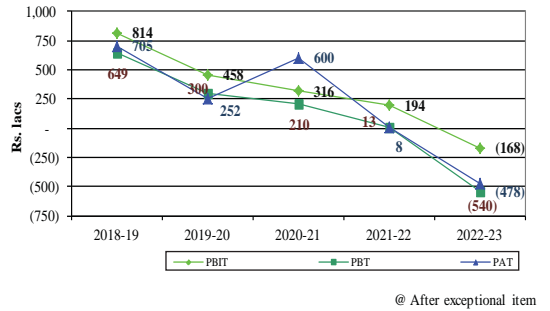




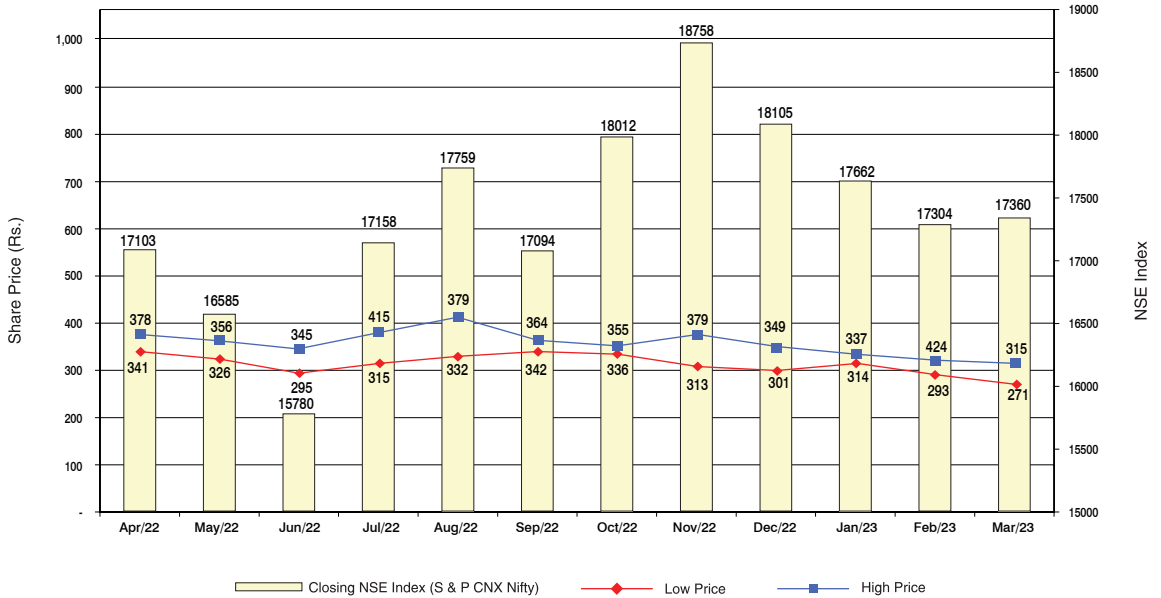
### Net Sales



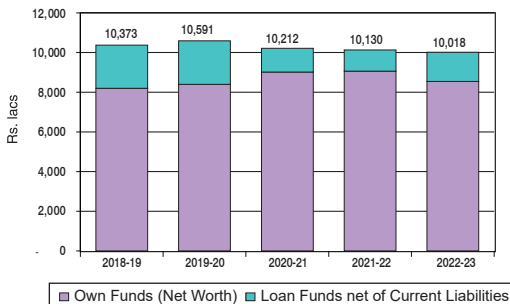
### Profit Trend



### Share Price Movement & NSE Index



### Capital Employed



### Earnings per share & Book Value

