

THIRTIETH ANNUAL REPORT 2004



SUNDARAM BRAKE LININGS LIMITED



Supplier Integration for Customer Satisfaction:
Our CMD Mr K Mahesh addressing the suppliers



Our CMD Mr K Mahesh addressing the employees on the New Year Day



SUNDARAM BRAKE LININGS LIMITED

A GUIDE TO INVESTORS

AUGUST 2004

1. Dematerialisation of Shares
 2. Free Demat Account
 3. Withdrawal of transfer-cum-demat facility by SEBI
 4. Payment of Dividend through Electronic Clearing Service (ECS)
 5. Printing of Bank Account Details in the Warrant
 6. E-Mail Address
 7. Change of Address and PIN code
 8. Nomination and Shareholding in Joint Names
 9. Shares held in Electronic form
 10. Address for Investors' Correspondance with RTA / Company
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1. Dematerialisation of Shares

Benefits of holding shares in Demat form

- No stamp duty on transfer of shares
- Immediate transfer and registration of shares
- Elimination of risks associated with Physical Certificates, viz.,
 - Loss/theft of share certificates
 - Mutilation of certificates
 - Holding / safeguarding of share certificates
- Faster settlement cycle
- Faster disbursement of corporate actions like Rights / Bonus shares
- Single corresponding point for the shares held in various companies
- Reduction in brokerage for buying and selling of shares

In view of the above, we strongly recommend you to dematerialize your shares by opening a Demat account with any of the Depository Participants of your choice.

As the shareholders are aware, the Company's shares are being traded in dematerialised form from March 2001 onwards. SEBI have included the shares of our Company for **compulsory delivery in dematerialised form only, by all investors from 26th March 2001.**

For the convenience of the holders M/s Integrated Enterprises (India) Ltd., the Company's Registrar & Transfer Agent (RTA) who are also Depository Participant have offered free demat facility to SBL shareholders, the details of which are given below. Shareholders are free to open the account with any of the Depository Participants (DPs). The websites of NSDL and CDSL list the approved DPs. List of DPs can be obtained from the Depositories whose addresses are given below :

National Securities Depository Ltd.,

Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Tel. : 022-2497 2964, 2497 2970

Fax : 022-2497 6351

E-mail : relations@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Ltd.,

Phiroze Jeejeebhoy Towers, 28th Floor,
Dalal Street,
Mumbai - 400 023.

Tel. : 022-2272 3333

Fax : 022-2272 3199

Website : www.cdslindia.com

Before submitting the share certificates to DP for demat, the share certificates should be defaced by writing **"SURRENDERED FOR DEMATERIALISATION"**.

If shares are held in joint names, demat account should be opened in the same order of names in which it is held physically.

The shares in the name of husband and wife (for example) can be dematerialised in the account held in the name of wife and husband. There is also facility to do the transmission-cum-demat by filling up the necessary form.

Account opening expenses can be saved by consolidating holdings in different joint names into common desired joint names by executing transfer deeds and transferring them into the common joint names and demat them into the account opened for the purpose.

The cost of opening and holding the demat account depends on the charges levied by the DP. The major heads being the account opening fee, annual maintenance fee, custodian fee and the transaction fee. In addition to the above, they would also charge a fee for converting the shares from the physical to the demat form and vice versa. The charges can be verified with the DPs and based on requirements, account can be opened.

2. Free Demat Account

M/s. Integrated Enterprises (India) Ltd., has introduced a special scheme for Sundaram Brake Linings Ltd., (SBL) Shareholders. The features are:

1	Account opening	Free
2	Monthly maintenance charges	Free till 30.6.2005
3	Custodial charges	Free for SBL shares till 30.6.2005
4	Off Market/Market purchases	Free for SBL shares
5	Off Market/Market Sales	Free for SBL shares

Please note that the above facilities are available only upto 30.6.2005. Shareholders continuing the account beyond 30.6.2005 may opt for any of the prevailing schemes of M/s. Integrated Enterprises (India) Ltd., at that time.

In case the shareholders bring any other securities to this account, then they have to join any of the prevailing schemes.

3. Withdrawal of transfer-cum-demat facility by SEBI

Compulsory trading of shares in the stock markets in the dematerialised form only, was mandated from January '99. Subsequently, SEBI had introduced a transfer-cum-demat scheme, whereby, shares presented to companies for transfer could be directly dematerialised with the consent of the holders. This was intended to make shares available much faster for trading and also to minimise handling cost. In view of demat having become widely accepted in the last few years, SEBI have announced the withdrawal of transfer-cum-demat scheme effective February 10, 2004. Hence the share certificates after transfer will be despatched to the transferee without any option letter for demat.

4. Payment of Dividend through Electronic Clearing Service (ECS)

By opting to receive the dividend amount through ECS, shareholders will receive instant credit of their dividend, at no additional cost, into their designated bank account. This avoids delay/loss/damage in postal transit, fraudulent encashment and also reduces correspondence on revalidation and issue of duplicate warrant. However, care should be taken to provide correct account number. The bank and the branch code is available in cheque leaf; a photocopy of the cancelled cheque should be attached to the ECS Form for verification. Earlier Forms had been forwarded for giving the Bank details. Shareholders who have not returned the same duly filled in, are requested to do so immediately. For the shares held in physical form, this may be advised to the Registrar and for the shares held in demat form, the same may be intimated to the concerned Depository Participant with whom shareholders hold their demat account. ECS Form may be downloaded from the Company's website www.tvstrakelinings.com

ECS facility is at present given only in Chennai city. Extension of this facility in future to more towns depends on the response from the shareholders from various towns.

5. Printing of Bank Account Details in the Warrant

Shareholders are requested to provide details of their Bank account such as Name of the Bank, Branch address, type of account and the account number so that the same can be printed in the warrant and **mailed to the shareholder's address**. This also will avoid the risk of fraudulent encashment.

For the shares held in physical form, the details may be advised to the Registrar and for the shares held in demat form, the same may be informed to the concerned Depository Participant with whom demat accounts are held. While on this, please check the Bank account details of the demat account available with the Depository Participant, as they are the source from whom demat holders details are downloaded.

6. E-Mail Address

Shareholders are requested to provide their e-mail id in their correspondence, if any, with the company. This will take speedy response from both ends.

7. Change of Address and PIN code

Shareholders are requested to check the completeness of the address to which this communication is sent. If the address has a PIN code and is not available in the address, please do write to the Registrar to enable them to incorporate the same in the records. Every delivery post office has a distinct PIN code number which can be found out and informed for updation. Any change in the Door No., PIN code etc. may please be intimated to the Registrar. Whenever there is a change in mailing address, communication should be given to all the Companies wherever shares are held. This will ensure receipt of communication without any delay.

8. Nomination and Shareholding in Joint Names

Shareholders are advised to use the nomination facility in respect of their shareholdings. Nomination once given is valid till the shares are transferred and **it is not necessary to give the nomination every year**. Nomination is strongly recommended for individuals who hold shares in single name. Nomination Forms can be obtained either by writing to the Company or it can be downloaded from the Company's website www.tvstrakelinings.com

9. Shares held in Electronic form

The Depository Participant (DP) with whom demat account is kept should be contacted for effecting change in the bank account details, address for correspondence, nomination details etc., (including transmission, transposition etc.). This gets updated in the Depository master and the Registrar gets the correct details whenever they want. *Hence in regard to the above, shareholders should contact only the Depository Participant* with whom they have the Demat Account and **they need not communicate such changes to all the Companies/Registrars individually.**

Delivery Instructions book given by the Depository Participant is like a cheque book which should be kept in safe custody. While writing the instruction on this slip, empty space should be struck out and signature should be put after filling up the form completely.

Close monitor should be made on the statement for the transactions, the opening balance, debit/credit and the closing balance either physically or through the internet as the facility is available on the internet.

10. Address for investors' correspondence with RTA / Company

To contact RTA for all matters relating to shares, dividends, Annual Reports	Integrated Enterprises (India) Limited II Floor, "Kences Towers" No.1 Ramakrishna Street North Usman Road, T Nagar Chennai 600 017	Phone : 91-44- 28140801 – 808 Fax : 91-44-28142479 E-mail : yesbalu@iepindia.com sureshbabu@iepindia.com
For any other general matters or in case of any difficulty / grievance	Secretarial Department Sundaram Brake Linings Ltd Padi Chennai 600 050	Phone: 91-44-26258111 - Extn.213 Fax : 91-44-26257572 E-mail : finance@tvssbl.com



SUNDARAM BRAKE LININGS LIMITED

BOARD OF DIRECTORS

K. MAHESH
Chairman & Managing Director

K. RAMESH

T. DULIP SINGH

T. KANNAN

P.S. RAMAN

V.R. JANARDHANAM

PRESIDENT**FINANCIAL CONTROLLER & SECRETARY
AND COMPLIANCE OFFICER**

R. MANI PARTHASARATHY

BOARD'S SUB-COMMITTEES**AUDIT COMMITTEE**

T. KANNAN
(Chairman of the Committee)

T. DULIP SINGH

P.S. RAMAN

**SHAREHOLDERS'/INVESTORS' GRIEVANCE
COMMITTEE**

T. DULIP SINGH
(Chairman of the Committee)

K. MAHESH

T. KANNAN

BANKERS

STATE BANK OF INDIA
Industrial Finance Branch, Chennai - 600 002

AUDITORS

SUNDARAM & SRINIVASAN
Chartered Accountants
Chennai - 600 018

REGISTERED OFFICE

180, Anna Salai
Chennai - 600 006.

FACTORIES

Padi, Chennai - 600 050.
Phone Nos. 26258111, 26258121, 26258521
Fax No. 044 - 26257572
E-Mail : sbl@giasmd01.vsnl.net.in

TSK Puram - Plant I & II
Mustakurichi Post
Virudhunagar District
Pin code 626 106
Phone Nos. 04566 - 255401 to 255404

SHARE DEPARTMENT

At Factory Office
Padi, Chennai - 600 050
Phone No. 26258111 - Extn. 213
E-Mail : finance@tvssbl.com

SUNDARAM BRAKE LININGS LIMITED

CONTENTS

Highlights	3
Notice	4
Directors' Report & Annexures thereof	6
Management Discussion & Analysis Report	20
Auditors' Report	23
Balance Sheet as at 31st March 2004	26
Profit & Loss Account for the Year ended 31st March 2004	27
Cash Flow Statement	28
Schedules	30

HIGHLIGHTS OF FIVE YEAR PERFORMANCE

Rs. in lacs

Particulars	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
1. Sales & Other income	8,487	8,187	8,583	10,195	12,075
2. Export Sales	2,923	3,235	4,285	5,339	5,251
3. Profit before interest, depn. and tax	1,618	1,248	1,389	1,620	1,889
4. Profit before tax	1,020	585	699	1,020	1,335
5. Profit after tax	909	508	597	734	892
6. Net fixed assets	4,421	4,822	4,651	5,201	5,352
7. Share capital	271.35	271.35	271.35	271.35	271.35
8. Reserves & Surplus	3,163	3,522	2,797	3,301	3,917
9. Net worth	3,435	3,793	3,068	3,572	4,188
10. Return on Net Worth (RONW) - PAT/Networth	26.5%	13.4%	19.4%	20.5%	21.3%
11. Return on Average Capital Employed (ROCE)	23.6%	14.6%	15.5%	18.0%	20.1%
12. Cash earnings per share (Rs)	43.58	29.65	33.65	38.93	46.26
13. Earnings per share (Rs)	33.49	18.72	21.99	27.03	32.86
14. Dividend per share (Rs)	8.00	5.00	7.50	7.50	9.00
15. Book value per share (Rs)	126.58	139.79	113.08	131.65	154.35
16. Sundry Debtors - No. of days	72	78	92	86	76
17. Turnover/Average Inventory (Times)	18.8	15.0	14.5	16.3	19.5
18. Current Ratio	1.45	1.33	1.38	1.21	1.15
19. R & D Expenses - as % on Net Income	4.6%	2.0%	1.9%	1.9%	1.8%

SUNDARAM BRAKE LININGS LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Company will be held at RANI SEETHAI HALL, No.603 Anna Salai, 600 006 on **Wednesday, the 1st September 2004 at 4.00 P.M.** to transact the following business:

ORDINARY BUSINESS:

- 1 To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

RESOLVED THAT the Audited Balance Sheet as at 31st March 2004, the Profit & Loss Account for the year ended 31st March 2004 , Cash Flow Statement for the year ended 31st March 2004 and the Report of the Directors and the Auditors of the Company, be and are hereby approved and adopted

- 2 To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the recommendation of the Directors, the interim dividends aggregating to Rs.9.00 per share absorbing a sum of Rs.244.22 lacs (excluding Dividend Tax of Rs.31.29 lacs payable by the Company), declared during the year on the 27,13,500 equity shares of Rs.10/- each fully paid up, to those members whose names appeared in the Register of Members of the Company on such Record Dates fixed earlier be and are hereby ratified and approved as final dividend for the year ended 31st March 2004.

- 3 To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr. T Dulip Singh, Director, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company

- 4 To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the retiring auditors Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company in addition to service tax, travelling and other out-of-pocket expenses actually incurred by them in connection with audit and fees, if any, for the professional services rendered by them in any other capacity from time to time

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution

RESOLVED THAT Mr. P S Raman be and is hereby appointed as a Director of the Company

(On behalf of the Board)

Madurai
July 29, 2004

K MAHESH
Chairman & Managing Director