

**23<sup>RD</sup> ANNUAL REPORT  
2011-12**

**SOUTHERN LATEX LIMITED**

## **Board of Directors**

Mr. N Neelakanda Pillai	- Executive Director
Mr.A.P.Vetrivel (up to 30.06.2012)	- Non Executive & Independent Director
Mr.B.Thirumoolam (up to 06.01.2012)	- Non Executive & Independent Director
Mr.Govindan Manivannan	- Non Executive & Independent Director
Mr.Muralikrishnan	- Non Executive & Independent Director
Mr.Vinnakaram Krishnan Balaji	- Non Executive & Independent Director

## **Company Secretary**

Mr. R K Pungalia

## **Registered Office**

B-11/W, SIPCOT Industrial Complex,  
Gummidipoondi  
Tiruvallur District –601 201.

## **Auditors**

O.S.Hariharan & Co  
Chartered Accountants,  
No.34, Veerabadran Street,  
Second Floor,Luz,Mylapore,  
Chennai – 600004.

## **Bankers/Financial Institutions**

Union Bank of India

## **Registrar and Share Transfer Agents**

**M/s.Cameo Corporate Services Limited**  
"Subramanian Building"  
No.1, Club House Road, Chennai 600 002  
Phone No.044-28460390-94

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## NOTICE

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the shareholders of the Company will be held on Saturday, the 29<sup>th</sup> day of September 2012 at 12.00 noon at the registered office of the Company at B-11/W SIPCOT Industrial Complex, Gummidipoondi – 601 201, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, and Auditors thereon.
2. To appoint a Director in place of Mr.N.Neelakanda Pillai, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration M/s O.S.Hariharan & Co, Chartered Accountants, Chennai the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** Mr.Vinnakaram Krishnan Balaji, be and is hereby appointed as Director of the Company liable to retire by rotation”.

5. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** Mr.Govindan Manivannan, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of Board of Directors held on 06<sup>th</sup> January, 2012 and who vacates his office at the conclusion of this Annual General Meeting be and is hereby reappointed as Director of the Company liable to retire by rotation”.

6. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** Mr.Muralikrishnan, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of Board of Directors held on 30<sup>th</sup> June, 2012 and who vacates his office at the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company liable to retire by rotation”.

**By Order of the Board  
For SOUTHERN LATEX LIMITED**

*N Neelakanda Pillai*  
**N Neelakanda Pillai  
(Executive Director)**

Place :Gummidipoondi  
Date :01<sup>st</sup> September,2012

**Registered Office**

B-11/W SIPCOT Industrial Complex,  
Gummidipoondi – 601201

**NOTES :**

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.***
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday the September 25, 2012 to Saturday the September 29, 2012 (both days inclusive) for the purpose of updating of Register of members and share transfer books in the ensuing Twenty Third Annual General Meeting.
4. Mr.N.Neelakanda Pillai as the Executive Director, shall be liable to retire by rotation under section 255 of the Companies Act, 1956, however, if re-appointed as a director immediately on retirement by rotation, he shall continue to hold office in Executive Director and such re-appointment as Director shall not be deemed to constitute a break in his appointment as the Executive Director.
5. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar and Share Transfer Agent.
6. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
7. Members/ proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be downloaded from Company's Website [southernlatexlimited.com](http://southernlatexlimited.com)
9. The Equity Shares of the Company have been admitted for dematerialization with National Securities Depository Limited (NSDL and Central Depository

Services (India) Limited (CDSL) and the Company have been allotted International Securities Identification Number (ISIN) INE410M01018. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.

10. Annual Report is available at the website of the Company at [southernlatexlimited.com](http://southernlatexlimited.com)
11. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the Depository participant of the members.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates 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 / Registrar and Transfer Agents.
14. Members who are holding shares more than one folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details.
15. Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares of the Company should be addressed to M/s.Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600 002.
16. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors.

1	Name	<b>N Neelakanda Pillai</b>
	DIN	00084550
	Date of Birth	04.04.1963
	Nationality	Indian
	Date of Appointment on the Board	15.11.2003
	Qualifications	Bachelor in Science
	Expertise in functional area	Mechanical
	No of shares held	Nil

	List of directorship held in other companies	1.Nortan Electricals Private Limited 2.Tamil Nadu Industrial Park(Rubber) Ltd
<b>2</b>	<b>Name</b>	<b>Govindan Manivannan</b>
	DIN	02611543
	Date of Birth	01.01.1953
	Nationality	Indian
	Date of Appointment on the Board	06.01.2012
	Qualifications	Bachelor of Engineering(Mechanical)
	Expertise in functional Area	Production
	No of shares held	Nil
	List of directorship held in other companies	1. Norton Polymers Limited 2. Nortan Electricals (P)Limited 3. Rajalakshmi Renewables(P) Limited 4. Klassic Industries(P)Ltd 5. Tranz Vision Digital Media (P) Ltd. 6. Choice Vision(P) Ltd.
<b>3</b>	<b>Name</b>	<b>Muralikrishnan</b>
	DIN	05312102
	Date of Birth	07.12.1962
	Nationality	Indian
	Date of Appointment on the Board	30.06.2012
	Qualifications	B.COM
	Expertise in functional Area	Financial
	No of shares held	Nil
	List of directorship held in other companies	1. Norton Polymers Limited 2. Nortan Electricals (P)Limited 3. Rajalakshmi Renewables(P) Limited.
<b>4</b>	<b>Name</b>	<b>Vinnakaram Krishnan Balaji</b>
	DIN	00084412
	Date of Birth	17.03.1961
	Nationality	Indian
	Date of Appointment on the Board	29.09.2012
	Qualifications	Bachelor in Arts
	Expertise in functional Area	Adminstration
	No of shares held	Nil
	List of directorship held in other companies	1. Klassic Industries(P)Ltd 2. Tranz Vision Digital Media(P) Ltd 3. Choice Vision(P) Ltd. 4. Norton Polymers Limited 5. R I Publications(P) Ltd.

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Company or the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill up the e-mail registration form set out at the next page and send it to the Share Transfer Agent i.e., M/s.Cameo Corporate Services Limited;Subramanian Building, No.1, Club House Road, Chennai 600 002

**EXPLANATORY STATEMENT PUSUANT TO SECTION 173(1)****Item No.4**

The Board of Directors at its meeting held on 01.09.2012 have recommended the appointment of Mr.Vinnakaram Krishna Balaji as Director of the Company liable to retire by rotation. The Company has received a notice in writing along with a deposit of Rs.500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Vinnakaram Krishna Balaji as a Director of the Company. The Board of Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders. Consent letter along with other disclosure to act as Director are available for inspection. The Board recommends passing of the Ordinary Resolution at Item No.4 of the Notice.

None of the Directors of the Company are concerned or interested in the resolution.

**Item No.5**

The Board of Directors at their meeting held on 06<sup>th</sup> January, 2012 has appointed Mr.Govindan Manivannan, as an additional director pursuant to the provisions of section 260 of the Companies Act, 1956 to hold office as such till the conclusion of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs.500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr.Govindan Manivannan as a Director of the Company. The Board of Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders.

Except Mr.Govindan Manivannan, being the appointee, no other directors are in any way concerned or interested in the aforesaid resolution.

**Item No.6**

The Board of Directors at their meeting held on 30<sup>th</sup> June, 2012 has appointed Mr.Muralikrishnan, as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, and Article 106A of the Articles of Association of the

Company to hold office as such till the conclusion of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs.500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment Mr.Muralikrishnan as a Director of the Company. The Board of Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders.

Except Mr.Muralikrishnan, being the appointee, no other directors are in any way concerned or interested in the aforesaid resolution.

**By Order of the Board  
For SOUTHERN LATEX LIMITED**

*N Neelakanda Pillai*  
**N Neelakanda Pillai  
Executive Director**

Gummidipoondi, the 01<sup>st</sup> day of September, 2012

Registered Office  
B-11/W SIPCOT Industrial Complex,  
Gummidipoondi – 601201



## DIRECTORS' REPORT TO THE MEMBER

Your Directors have great pleasure in presenting the Twenty Third Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2012 and the Auditors' report thereon.

### Financial Results

(Amount In Rs. )

Particulars	2011-2012	2010-2011
Total Income	2,15,22,560	2,42,20,853
Expenditure	1,89,72,378	1,83,70,221
Profit before interest, depreciation and taxes	35,05,824	69,48,838
Less:		
Depreciation	9,45,079	10,93,846
Profit/(Loss) before Tax	25,50,182	58,50,632
Less: Provision for		
Current Tax	Nil	Nil
Deferred Tax	Nil	Nil
Fringe Benefit Tax	Nil	Nil
Profit/(Loss) after Tax	25,50,182	58,50,632
Add: Loss brought forward from previous year	(3,85,23,906)	(4,43,74,537)
Loss transferred to Balance sheet	(3,59,73,724)	(3,85,23,906)

Your Company has made a turnover of Rs. 2,15,22,560/- as compared to Rs.2,42,20,853/- of previous year and has made a Profit after Tax of the Rs.25,50,182 /- as compared to Rs. 58,50,632/- in the previous year.

### Business Prospects

The Company has recovered itself from the sickness status and has recovered its losses upto a extent. Now It is successfully running its operations and after a long time is able to achieve all its objectives and during the year, sales of the company is Rs. 2,15,22,560 and the company has achieved a net profit after tax of Rs. 25,50,182

The Company is looking for a strong future ahead and targeting the growth in upcoming year. Accordingly the profit would also increase considerably. It future aim is to improve its financial position.

### Fixed Deposits

Your Company has not accepted any deposits from public or its employee during the year under review.

### Dividend

In view of accumulated loss, your directors have not recommended any dividend during the year under report.

### Subsidiaries / Joint Ventures

There are no Subsidiaries and Joint Venture Company.

## **Insurance**

All insurable interests of the Company including buildings, furniture and fixtures and other insurable interest are adequately insured.

## **STATUTORY STATEMENTS**

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo**

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required particulars are furnished below.

#### **Conservation of energy:**

Energy conservation continues to receive utmost priority and the Company monitors energy costs and reviews the consumption of energy on a regular basis. The Company wherever necessary also initiates appropriate measures to reduce consumption of electricity, including using Generator.

#### **Technology Absorption**

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

#### **Research and Development:**

Not Applicable

#### **Foreign exchange earnings and outgo:**

There are no foreign exchange earning and outgo during the year under review.

#### **Particulars of Employees**

During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operation of Company during the year.

#### **Directors' Responsibility Statement**

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors to the best of their knowledge and belief confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;

- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- (iv) they have prepared the annual Accounts on a going Concern basis.

#### **Internal Controls and their Adequacy:**

The internal control systems are commensurate to the size of the operation of the Company. Whenever it is required, the systems and procedures are upgraded to suit the changing business needs.

#### **Code of Corporate Governance**

A detailed report on Corporate Governance as updated with the particulars of this Financial year, as per the directions from SEBI is annexed to this report (**Annexure A'**) together with Report of the Auditors on the compliance with the said Code and a report of Management discussion and Analysis is also annexed separately.

#### **Directorate**

In compliance with the provisions of the Companies Act, 1956 in accordance with the Articles of Association of the Company's, Mr.N Neelakanda Pillai retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

Mr.Govindan Manivannan and Mr.Muralikrishnan, who was appointed as an additional directors pursuant to the provisions of section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 06<sup>th</sup> January, 2012 and 30<sup>th</sup> June, 2012 respectively. They hold office as such till the conclusion of the ensuing Annual General Meeting. The Company has received notice in writing along with a deposit of Rs.500 from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr.Govindan Manivannan and Mr.Muralikrishnan as a Director of the Company. Your Directors recommend his appointment as Directors of the Company.

Further, the Board of Directors at its meeting held on 01.09.2012 have recommended the appointment of Mr.Vinnakaram Krishnan Balaji as Director of the Company liable to retire by rotation. The Company has received a notice in writing along with a deposit of Rs.500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Vinnakaram Krishnan Balaji as a Director of the Company. The Board of Directors recommend the resolution as set out in item No.4 of the notice convening annual general meeting for approval of the shareholders. Consent letter along with other disclosure to act as Director are available for inspection. The Board recommends passing of the Ordinary Resolution at Item No.4 of the Notice.

Mr.Thirumoolam and Mr.Vetrivel Arunachalam Pandey, were resigned from the post of Directors with effect from 06<sup>th</sup> January, 2012 and 30<sup>th</sup> June, 2012 respectively. Your Directors wish to express their sincere appreciation for the valuable services rendered by them during his tenure as Directors.

Brief resume of the Directors, seeking re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with *inter alia* the Bombay Stock Exchange Limited, is appended to the notice convening the Annual General Meeting.

#### **Auditors and Auditors Report**

The retiring auditors, M/s O.S.Hariharan & Co, Chartered Accountants, Chennai have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956.

The Audit committee and the Board of Directors recommend the re-appointment of M/s O.S.Hariharan & Co, Chartered Accountants, Chennai as Auditors for a further period of one year and to fix their remuneration.

The Auditors Report to the Members does not contain any qualification or adverse remarks.

#### **Disclosures of Particulars of Constituting "Group" pursuant to Regulation 3(1)(e) of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.**

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice (MRTP) Act, 1969, are given in **Annexure-B** for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997 :

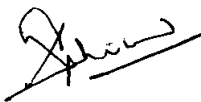
#### **Dematerialisation of Shares**

The Shares of the Company had been dematerialized with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL). The Demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) is INE410M01018.

All request received by the Company/RTA for dematerialization/re-materialization, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

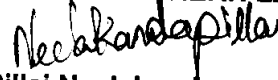
#### **Acknowledgement**

The Directors place on record their appreciation for the continued support received from the shareholders, Bank, Government Authorities, Employees and all the other concerned. The Directors also thank the Shareholders for continuing their support and confidence in the Company and its management.



**Govindan Manivannan**  
Director

**For and Behalf of the Board  
For SOUTHERN LATEX LIMITED**



**N Pillai Neelakanda**  
Director

Gummidipoondi, the 01<sup>st</sup> day of September, 2012

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance:

The Company believes that Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of the business. Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate accountability, responsibility and transparency are the core of **Southern Latex Limited**.

The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to improve upon them and adopt the best practices. Corporate Governance is not merely compliance and not simply a matter of creating checks & balances. It is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities in reality.

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company is in compliance and has ensured with all the provisions of Corporate Governance. A report on the implementation of provisions of Corporate Governance is furnished hereunder:

### 2. Board of Directors

The Board of Directors guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting.

#### I. Composition of the Board –

The Board of Directors of your Company consists of 4 Directors of which 3 Directors are Non-executive (Independent Directors) which is 75% of the total strength of Directors in the Company. Thus the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchanges. The Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry and finance.

#### II. Attendance of each Director at the Board meetings, last AGM are given below :

The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/ Committee memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year		Attendance Of Last AGM	Number of directorships held in the Indian Companies (including this Company)
		Held	Attended		
Namasivayam Pillai Neelakanda	Director Executive	06	06	Yes	3
A.P.Vetrivel (*)	Director Non Executive & Independent	06	06	Yes	Nil
B.Thirumoolam (*)	Director Non Executive & Independent	06	05	Yes	Nil
Govindan Manivannan (#)	Director Non Executive & Independent	06	01	No	7
G.Muralikrishnan (#)	Director Non Executive & Independent	06	Nil	No	4
Vinnakaram Krishnan Balaji(#)	Director Non Executive & Independent	06	Nil	No	5

(#) Mr.Govindan Manivannan Appointed as additional director with effect from 06<sup>th</sup> January, 2012.

(#) Mr.G.Muralikrishnan appointed as additional director with effect from 30.06.2012.

(#) Vinnakaram Krishnan Balaji appointed as director with effect from 29.09.2012 and

(\*) Resignation of Mr.B.Thirumoolam ,with effect from 06<sup>th</sup> January, 2012 and Mr. A.P.Vetrivel, with effect from 30<sup>th</sup> June, 2012.

III. Pursuant to Clause 49(1)(C) (ii) and as per the annual disclosures, none of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director.

IV. **Board Meetings-**

The Board of Directors met to discuss and decide on Company's business policy, and strength apart from other normal Board business. During the year 2011-12, Six(06) meetings of Board of Directors were held with a time gap of not more than 4 months between any two meetings.The dates on which the said meetings were held were : 28.04.2011, 19.07.2011, 01.09.2011, 21.10.2011, 06.01.2012, 20.01.2012

◆ **Information supplied to the Board:**

The Board has complete access to all information with the Company. Inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting:-

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the Company.
3. Significant development in the human resources and industrial relations front.
4. Non-compliance of any regulatory or statutory provision or listing requirements as well as share holders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

◆ **Brief details of Director seeking re-appointment / appointment:**

The brief individual detail of Directors seeking appointment/ reappointment at the ensuing Annual General Meeting of the Company are provided in the Explanatory Statement accompanying the notice of Annual General Meeting.

The Annual General Meeting for the financial year ended on 31-03-2011 was held on 30-09-2011 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

None of the Directors is related to each other.

Equity Shares held by the Directors.

<b>Name of the Directors</b>	<b>No. of Equity Shares as on 31<sup>st</sup> March 2012</b>
N Neelakanda Pillai	Nil
A.P.Vetrivel	Nil
B.Thirumoolam	Nil

There are no other shares or convertible instruments held by any other directors.

**3.Committee of Board :**

Currently The Board has three Sub-committee namely :

- a)Audit committee
- b)Shareholders/Investors Grievances Committee
- c)Remuneration Committee

They are briefly enumerated as under :

## A. Audit Committee

The Audit Committee of the Company is constituted in compliance with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956

### Terms of reference

Your Company has an qualified and independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement section 292A of the companies Act,1956 and are as follows :

- ◆ Overseeing the company's financial reporting process and the disclosure of its financial information.
- ◆ Recommending appointment and removal of the internal and external auditor, fixing of audit fees and approving payments for any other service.
- ◆ Reviewing with management the quarterly, half yearly and annual financial statement with primary focus on accounting policies and practices, compliance with accounting standards, any related party transaction and stock exchange and legal requirements concerning financial statements.
- ◆ Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the company's financial and risk management policies.
- ◆ Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information.

### Composition and Attendance

The Company has an Audit Committee of the Board consisting of Three Non-Executive & Independent Directors and One Executive Director as members as detailed below and all members have adequate financial and accounting knowledge, who met **Five (05)** times during the year on 28/04/2011, 19/07/2011, 01/09/2011, 21/10/2011 and 20/01/2012 and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
Namasivayam Pillai Neelakanda	Director Executive	05	05
A.P.Vetrivel*	Director Non Executive & Independent	05	05
B.Thirumoolam*	Director Non Executive & Independent	05	05
G.Manivannan(#)	Director Non Executive & Independent	05	Nil



Muralikrishnan(#)	Director Non Executive & Independent	Nil	Nil
Vinnakaram Krishnan Balaji(#)	Director Non Executive & Independent	Nil	Nil

(#) Mr.Govindan Manivannan Appointed as additional director with effect from 06<sup>th</sup> January, 2012.

(#) Mr.G.Muralikrishnan appointed as additional director with effect from 30.06.2012.

(#) Vinnakaram Krishnan Balaji appointed as director with effect from 29.09.2012 and

(\*) Resignation of Mr.B.Thirumoolam, with effect from 06<sup>th</sup> January, 2012 and Mr. A.P.Vetrivel, with effect from 30<sup>th</sup> June, 2012

Mr.A.P Vetrivel is the chairman of the committee.

All the members, including the Chairman have adequate financial knowledge. The Audit Committee reviews the Un-audited/audited quarterly, quarterly/half yearly financial results with the management before being submitted to the Board for its consideration and approval. The Chairman of the Audit Committee is always present at the Annual General meeting.

#### **Remuneration Committee**

The Remuneration Committee Meeting is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and as per the provisions of the Companies Act, 1956.

#### **a)Terms of Reference-**

The Board of Directors has constituted the Remuneration Committee with a view to-

- Fixing up of remuneration payable to the Director.
- Determining the remuneration policy of the Company.
- Reviewing the performance of the employees and their compensation.
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

#### **b) Composition, Name of Members and Chairperson-**

The Remuneration Committee has been constituted in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
Namasivayam Pillai Neelakanda	Director Executive	Nil	Nil
A.P.Vetrivel*	Director Non Executive & Independent	Nil	Nil

B.Thirumoolam*	Director Non Executive & Independent	Nil	Nil
G.Manivannan(#)	Director Non Executive & Independent	Nil	Nil
Muralikrishnan(#)	Director Non Executive & Independent	Nil	Nil
Vinnakaram Krishnan Balaji(#)	Director Non Executive & Independent	Nil	Nil

(#) Mr.Govindan Manivannan Appointed as additional director with effect from 06<sup>th</sup> January, 2012.

(#) Mr.G.Muralikrishnan appointed as additional director with effect from 30.06.2012.

(#) Vinnakaram Krishnan Balaji appointed as director with effect from 29.09.2012 and

(\*) Resignation of Mr.B.Thirumoolam, with effect from 06<sup>th</sup> January, 2012 and Mr. A.P.Vetrivel, with effect from 30<sup>th</sup> June, 2012

**c) Remuneration Paid to Directors :**

No remuneration was paid to any executive director during the year.

Non Executive Directors Shareholding as on 31<sup>st</sup> March,2012

Name of the director	No.of shares held
Mr.Govindan Manivannan	Nil
A.P.Vetrivel	Nil

**Non-Executive Director**

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

None of the non-executive directors has pecuniary relationship with company, its promoters, management.

**Shareholders/ Investor's Grievance Committee**

The Investors Grievance Committee of the Board oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc., and redressal thereof, within the purview of the guidelines set out in the listing agreement.

The Shareholders' / Investors' Grievance Committee is constituted in line with the provisions of clauses of the Listing Agreement entered into with the Stock Exchanges to overlook the performance of the Registrar and Share Transfer Agent and to recommend measures for overall improvement in the Quality of Investor services. The Company has always valued its customer relationships.

### a) Terms of Reference-

The Shareholders'/Investors' Grievance Committee specifically looks into various issues of the Shareholders such as registration of transfer of shares, issue of share certificates, redressal of shareholders' complaints etc. The committee has been delegated by the Board to approve transfer / transmission of shares and to deal with all the matters related thereto.

### b) Composition and Attendance

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
Namasivayam Pillai Neelakanda	Director Executive	05	05
A.P.Vetrivel*	Director Non Executive & Independent	05	05
B.Thirumoolam*	Director Non Executive & Independent	05	05
G.Manivannan(#)	Director Non Executive & Independent	05	Nil
Muralikrishnan(#)	Director Non Executive & Independent	Nil	Nil
Vinnakaram Krishnan Balaji(#)	Director Non Executive & Independent	Nil	Nil

(#) Mr.Govindan Manivannan Appointed as additional director with effect from 06<sup>th</sup> January, 2012.

(#) Mr.G.Muralikrishnan appointed as additional director with effect from 30.06.2012.

(#) Vinnakaram Krishnan Balaji appointed as director with effect from 29.09.2012 and

(\*) Resignation of Mr.B.Thirumoolam, with effect from 06<sup>th</sup> January, 2012 and Mr. A.P.Vetrivel, with effect from 30<sup>th</sup> June, 2012

### Compliance officer :

Mr. R.Chandrashekar is the Compliance officer. The Company use to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges / SEBI / Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how may days/ weeks.

**Investor Grievances Redressal:**

The number of complaints received and resolved to the satisfaction of investors during the year under review and their back-up are as under:-

Type of complaint	Number of complaint
Non receipt of annual report	Nil
Non Receipt of Dividend warrant	Nil
Non Receipt of Interest/Redemption of warrant	Nil
Non Receipt of certificates	Nil
<b>Total</b>	

**General Body Meetings:**

The details of the Annual General Meetings held during the last three years are as follows:

Financial Year	Location	Date	Time
2010-2011	B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Thiruvalluvar District –601 201.	September 30, 2011	12 Noon
2009-2010	B-11/W, SIPCOT Industrial Complex, Gummidipoondi Thiruvalluvar District –601 201	September 30, 2010	12 Noon
2008-2009	B-11/W, SIPCOT Industrial Complex, Gummidipoondi Thiruvalluvar District –601 201	September 30, 2009	12 Noon

**Disclosure made by the senior managerial personnel to the Board**

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

**Disclosures on materially significant related party transactions**

The details of the transaction with related parties or others if any as prescribed in the listing agreement are being placed before the Audit committee from time to time. Material significant related party transactions during the year 2011-2012 have been given in Notes to Accounts of the Annual Accounts for the year 2011-2012. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2012.

**Disclosure of Accounting Treatment**

No treatment different from that prescribed in an Accounting Standard have been followed by the Company.

## **Risk Management**

In order to ensure that management controls risk through means of properly defined framework a report on Risk Management and minimize on procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company.

## **Code of Conduct for the Directors and Senior Management Personnel**

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31<sup>st</sup> March, 2012. A declaration to this effect signed by Mr. Namasivayam Pillai Neelakanda, Executive Director of the Company forms part of this report.

## **CEO/CFO Certification**

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr. Namasivayam Pillai Neelakanda, Executive Director of the company was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2012 at its meeting held on 01<sup>st</sup> day of September, 2012.

## **Proceeds from Public/ Rights/ Preferential Issues, etc,**

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

## **Compliances by the Company**

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening of its statutory compliance procedures as may be suggested by the Board from time to time.

## **Details of non-compliances with regard to Capital Market**

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

## **Means of Communication to Shareholders**

- ◆ The quarterly and annual financial results promptly submitted to the Stock Exchanges to enable them display the same on their website.
- ◆ The domain name of the Company's website is [southernlatexlimited.com](http://southernlatexlimited.com) where general information about the company is available.
- ◆ The Management Discussion and Analysis report forms part of the Annual Report.

## General Shareholder's Information

### Financial Calendar (Tentative)

<b>Financial year</b>	<b>April 1, 2012 to March 31, 2013 (Subject to Change)</b>
First Quarter Result	End of July 2012
Second Quarter Result and Half-yearly Result	End of October 2012
Third Quarter Result	End of January, 2013
Fourth Quarter Result	End of March, 2013
Annual Result (Audited) Annual General Meeting	Within 6 months of the close of the financial year In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	25 <sup>th</sup> September, 2012 to 29 <sup>th</sup> September, 2012. (Both days Inclusive)
Venue and other details of the Annual General Meeting	B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Thiruvalluvar District -601 201.
Dividend Payment Date	N.A
Listing on Stock Exchange and Stock Code The Equity Shares of Rs.10/- each are Listed at	The Bombay Stock Exchange Limited The Madras Stock Exchange, Chennai The Coimbatore Stock Exchange, Coimbatore Scrip Code : <b>514454</b> and ID : <b>SOUTLAT</b>

### Stock Market Data

Stock Market data for the period April 01 2011 to March 31, 2012 volume of Shares of during April 01 2011 to March 31, 2012. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2011-12 are as [Equity Shares of Rs.10/- each]

There was no Trading of Shares from April, 2011 to November, 2011 last year.

Market price Data: High, Low during each month and trading volumes of the Company's Equity shares during the last financial year at BSE are given below

Month	High(Rs)	Low(Rs)	Number shares	of	No. of trade	Total Turnover
Apr-11	Nil	Nil	Nil		Nil	Nil
May-11	Nil	Nil	Nil		Nil	Nil
Jun-11	Nil	Nil	Nil		Nil	Nil
Jul-11	Nil	Nil	Nil		Nil	Nil
Aug-11	Nil	Nil	Nil		Nil	Nil
Sep-11	Nil	Nil	Nil		Nil	Nil
Oct-11	Nil	Nil	Nil		Nil	Nil
Nov-11	Nil	Nil	Nil		Nil	Nil
Dec-11	15.75	15.75	100		1	1575
Jan-12	15.00	15.00	100		1	1500
Feb-12	14.26	12.88	300		3	4069
Mar-12	12.24	11.05	300		3	3492

Note-The above data has been taken from the website of Bombay Stock Exchange Limited.

## Dematerialization of Shares and Liquidity

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Company have been allotted International Securities Identification Number (ISIN) INE410M01018. The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized up to March 31, 2012 are under :

Sl No	Particulars of capital structure	No of share	% of total issued capital
1	Listed Capital(Exchange wise) per Company's Record	7359200	100.00
2	Held in dematerialized Form in CDSL	4,700	.06
3	Held in dematerialized Form in NSDL	9,28,180	12.62
4	Physical	64,26,320	87.32

## Registrar and Share Transfer Agents (RTA)

Pursuant to regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed M/s.Cameo Corporate Services Limited., a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

### **M/s.Cameo Corporate Services Limited**

"Subramanian Building"

No.1, Club House Road, Chennai 600 002,

Phone No.044-28460390-94,

Fax No.28460129,

Email : [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

All requests received by the Company/ RTA for dematerialisation/ re-materialisation, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

## Distribution of Share holding as on 31-03-2012

Category	No of Share holders	% of total shareholders	Total shares	% of shareholding
1-100	3885	56.0040	388500	5.2791
101-500	2531	36.4855	645000	8.7645
501-1000	277	3.9930	237000	3.2204
1001-2000	114	1.6433	170600	2.3181
2001-3000	34	0.4901	85200	1.1577
3001-4000	18	0.2594	66700	0.9063
4001-5000	11	0.1585	52500	0.7133
5001-10000	21	0.3027	165900	2.2543
10001 and above	46	0.6631	5547800	75.3859

As required under Circular No.D&CC/FITC/CIR-16/2004 dated 31<sup>st</sup> December, 2004 issued by the Securities and Exchange Board of India and amended thereafter, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit and the report was placed before the Board and sent forthwith to Stock Exchanges for their information and record.

**Categories of Shareholding as on 31<sup>st</sup> March, 2012**

Sl. No	Category of Shareholders	No. of sharesHeld	Percentage of Holding
1	Promoter (s)	4564100	62.02
2	Institutional Investor	287100	3.90
3.	Bodies Corporate	101900	1.38
4	Individual Shareholders Holding nominal shares Capital upto Rs. 1 lakh	1494800	20.31
5	Individual Shareholders holding nominal shares Capital in excess of Rs. 1 lakh	494000	6.71
6	Non Resident Indian	417100	5.67
7	Hindu Undivided Families	200	0.00
	<b>Total</b>	<b>7359200</b>	<b>100</b>

**Company Registration Details**

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25199TN1989PLC017137.

**Legal Proceedings:**

There is no legal proceeding pending against the Company.

**The Company has not issued any GDRs/ADRs/ Warrants/Convertible Instruments.**

**Address for Communication**

**SOUTHERN LATEX LIMITED**

**Address for Correspondence:**

B-11/W,SIPCOT Industrial Complex,  
Gummidipoondi,

Tiruvallur District – 601 201

Phone Nos: 044-26471693, 044-26601313

Fax Nos: 044-26445151

Email: [southernlatexltd@yahoo.com](mailto:southernlatexltd@yahoo.com)

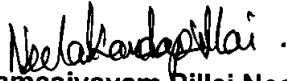
In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use [southernlatexltd@yahoo.com](mailto:southernlatexltd@yahoo.com) as email id for redressal of investor request/complaint.



## DIRECTOR DECLARATION ON CODE OF CONDUCT

As required by clause 49 of the Listing Agreement the Director's declaration on code of conduct is as under.

I, Namasivayam Pillai Neelakanda, Executive Director of the Company declare that all the Board members and senior Management of the Company have affirmed compliance with the code of conduct.

x   
Namasivayam Pillai Neelakanda  
Executive Director

Gummidipoondi, the 01<sup>st</sup> day of September, 2012

**Registered Office**

B-11/W, SIPCOT Industrial Complex,  
Gummidipoondi,  
Tiruvallur District – 601 201

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS**

The Certificate dated 01<sup>st</sup> day of September 2012, obtained from Statutory Auditors of the Company M/s. O.S. Hariharan & Company, Chartered Accountants, Chennai confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

For and on behalf of the Board  
For **SOUTHERN LATEX LIMITED**

*Neelakanda Pillai*  
**Namasivayam Neelakanda Pillai**  
Executive Director

Gummidipoondi, the 01<sup>st</sup> day of September, 2012

**Registered Office**

B-11/W, SIPCOT Industrial Complex,  
Gummidipoondi,  
Tiruvallur District – 601 201



**O.S. HARIHARAN & CO.**

CHARTERED ACCOUNTANTS

No. 2 (Old No. 33), II Floor,  
Veerabadrin Street, Luz,  
Mylapore, Chennai - 600 004  
Phone : 3297 7915, 2499 2514  
Fax : 044 - 45534407  
Mobile : 9841173139  
E-mail : oshariharanco@gmail.com

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**  
(Under Clause 49 of the Listing Agreement)

To  
**The Members of SOUTHERN LATEX LIMITED**  
**B-11/W, Sipcot Industrial Complex**  
**Gummidipoondi-601 201**

We have examined the registers, records, books and papers of **SOUTHERN LATEX LIMITED** (the Company), as required to be maintained under the Listing Agreements entered with the Stock Exchanges and the Rules and Regulation issued by SEBI and NSDL for the financial year ended on 31<sup>st</sup> March, 2012.

The compliance of conditions of the listing agreement is the responsibility of the management. Our examination has been limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

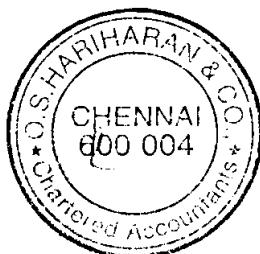
In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, We certify that in respect of the aforesaid financial year:

We certified that the company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company has maintained records to show Investors' Grievances against the Company and have certified that as on 31st March 2012, there were no investor grievances remaining unattended / pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CHENNAI



For O.S. HARIHARAN & CO

PROPRIETOR

## Annexure-B

**Disclosures of Particulars of Constituting "Group" pursuant to Regulation 3(1)(e) of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997 for the year ended 31<sup>st</sup> March,2012**

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice (MRTP) Act, 1969, are as below for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997 :

S.L.No	Name of shareholders	No.of shares held
1	SPT Marketing Services (P) Ltd	61700
2	Klassic Industries Limited	100000
3	Nartan Electrical Ind (P) Ltd	1205000
4	SPT Marketing (P) Ltd	200000
5	Klassic Industries (P)Limited	400000
6	Kumaresan G	40010
7	Nirmal Joseph J	10010
8	Bohra S M	100
9	Padmanabhan K	100
10	Padmanabhan V K	40100
11	Raghavan T R S	12600
12	Thangam Meganathan	425100
13	Meganathan(HUF)	500000
14	Ramakrishnan P A	137200
15	Babu S	20000
16	Avudaiammal	15000
17	Anbalagan S	10000
18	Parvarthy V	10000
19	Abhay Shankar	350000
20	Azhagappan	10000
21	Hari Shankar	350000
22	Harihara Krishnan S R	5000
23	Hema Ramesh	5000
24	Krishnamurthy Srinivasan	10000
25	Raghuraman	5000
26	Rajalakshmi S	2500
27	Ramanujam R	6300
28	Swaminathan	10000
29	Swamy	15000
30	Uma Harihara Krishnan	5000
31	Vijayalakshmi	10000
32	Sankar Thanupillai Meganathan	578280
33	Kumaraswamy S	15000
34	Abhay Sankar M	100
	<b>Total</b>	<b>4564100</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The management of **Southern Latex Limited** presents below its analyses covering the segment wise performance of the Company for the year 2011-12 and an outlook for the future. The report conveys expectations on future performance based on an assessment of the current business environment. These could vary based on future developments.

### **Company Structure and Developments:**

The Company has recovered itself from the sickness status and has recovered its losses upto a extent. Now It is successfully running its operations and after a long time is able to achieve all its objectives and during the year, sales of the company is Rs. 2,15,22,560 and the company has achieved a net profit after tax of Rs. 25,50,182

The Company is looking for a strong future ahead and targeting the growth in upcoming year. Accordingly the profit would also increase considerably. It future aim is to improve its financial position.

### **Risks and Concerns**

#### **Operational Risks**

Operational risks mainly relate to meeting customer expectation in terms of quality of service In addition to the above, your company has operations only in India. Hence, the Company is vulnerable to domestic socio-political and economic conditions. Another operational risk is the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry like ours.

#### **Financial Risks**

The Company's business involves significant investments in stocks for its operations. These expose the Company to risks in terms of timely and adequate availability of funds at competitive rates to finance its growth.

#### **Regulatory and Legal Risks**

Your Company is exposed to regulatory and legal risks in carrying out its business. These include legal proceedings on properties, customer complaints, noncompliance of regulations including environmental regulations and those pertaining to the hospitality sector. The company has systems and controls in place to mitigate these risks and minimize instances of non- compliance.

#### **Risk Management Systems**

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices.

## **Internal Control System**

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensures efficient use and protection of the resources and compliances with the policies, procedures and status. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures.

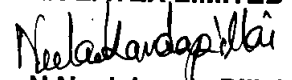
## **Discussion on Financial performance with respect to operational performance:**

The Company has made a turnover of Rs.2,15,22,560.00/- as compared to Rs. 2,42,20,853.00/- of previous year and has made a Profit after Tax of the Rs.25,50,182.00 /- as compared to Rs. 58,50,632.00/- in the previous year.

## **Material developments in Human Resources /Industrial Relations front, including number of people employed.**

There have been no material changes / developments in Human relations front.

**For and on behalf of the Board  
SOUTHERN LATEX LIMITED**

  
**N. Neelakanda Pillai**  
Executive Director

Gummidipoondi, the 01<sup>st</sup> day of September, 2012

Registered Office  
B-11/W, SIPCOT Industrial Complex,  
Gummidipoondi,  
Tiruvallur District – 601 201

**AUDITORS REPORT**  
**TO THE SHAREHOLDERS OF M/S.SOUTHERN LATEX LIMITED**

1. We have audited the attached Balance Sheet of **SOUTHERN LATEX LIMITED** as at 31<sup>st</sup> March 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 & 5 of the said Order.
4. Further to our Comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the companies Act, 1956 in the manner so required and give a true & fair view in conformity with the Accounting Principles Generally Accepted in India;

- I. In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2012,
- II. In the case of Profit & Loss of the loss of the Company for the year ended on that date and
- III. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For O.S.HARIHARAN & CO**  
Chartered Accountants  
Sd/-  
**O.S.HARIHARAN**  
Proprietor

Place:Chennai  
Date :01.09.2012



**Annexure referred to in paragraph 3 of the report of even date of the auditors to the members of Southern Latex Limited on the accounts for the year ended 31<sup>st</sup> March, 2012**

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) As explained to us, the fixed assets of the company have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification.  
  
(c) None of the fixed assets have been revalued during the year. During the period the company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- II. (a) The management has conducted physical verification of inventory at reasonable intervals during the year in respect of raw materials,(except firewood) spares, stores and finished goods.  
  
(b) The Procedures of physical verification of stock followed by the management are reasonable in relation to the size of the company and the nature of its business.  
  
(c) The discrepancies noticed on Physical verification of stocks as compared to the books records were not material and have been properly dealt with in the books of accounts.  
  
(d) On the basis of our examination, we are satisfied that the valuation of stock is Fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- III. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
  
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- IV. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business, for the purchase of Inventories and Fixed Assets and for the Sale of Goods. We have neither come across nor have we been informed of any major weaknesses in internal control procedures.
- V. On the basis of representation received from the management, the transactions for purchase of goods and materials and sale of goods, materials and rendering services aggregating Rs.50,000 in respect of each party in pursuance of contract and arrangement entered in the register maintained under section 301 of the companies Act,1956 have been made with other parties and nature of services rendered.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and hence compliance of the provisions of section

58A and 58 AA of the Companies Act, 1956 and the Rules framed there under are not applicable..

- VII. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- VIII. (a) In our opinion, the company is maintain reasonable records for the sale and disposable of the scraps .We are informed that the company gas no by-product.
- (b) The Central Government has not prescribed the maintenance of cost records Under Section 209 (1) (d) of the Companies Act, 1956. and therefore paragraph 4 (viii) of the Order is not applicable.
- IX. (a) According to the information and explanations given to us, the company is making efforts to enroll with the P.F. authorities.
- (b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty outstanding for a period of more than six months from the date they became payable as at the date of this report.
- X. According to records of the Company and on the basis of information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XI. In our opinion, the Company is not a chit fund or a Nidhi / Mutual benefit fund / Society. Therefore, the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XII. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XIII. According to the information and explanations given to us, during the year the company has not given any guarantee for loans taken by others from banks or financial institutions and therefore the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XIV. The company has not taken any term loan, So, comment on theses paras not required.
- XV. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investments and vice versa.

- XVI. The company has not made any preferential allotment of shares during the year and therefore the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company..
- XVII. The company has not issued any debentures during the year and the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XVIII. The company has not raised any money by way of public issues during the year and therefore the provisions of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XIX. Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed during the year.
- XX. In respect of trade items, there were no damaged goods.

**For O.S.HARIHARAN & CO**  
Chartered Accountants  
Sd/-  
**O.S.HARIHARAN**  
Proprietor

Place:Chennai  
Date :01.09.2012

**SOUTHERN LATEX LIMITED**

BALANCE SHEET AS ON 31ST MARCH 2012

( in Rs. P.)

( in Rs. P.)

Particulars	Sch.No	As at 31.03.2012		As at 31.03.2011	
<b>SOURCE OF FUNDS</b>					
<b>1. SHARE HOLDERS' FUND</b>					
a.Share Capital	1	73,592,000.00		73,592,000.00	
b.Reserves & Surplus	2	8,036,500.00		8,036,500.00	
			81,628,500.00		81,628,500.00
<b>2. LOAN FUNDS</b>					
a.Secured Loan	3	379,883.00		379,883.00	
b.Unsecured Loan	4	105,680.00	485,563.00	92,875.00	
					472,758.00
<b>Grand Total</b>			82,114,063.00		82,101,258.00
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets :</b>					
Gross Block	5	44,124,753.00		44,124,753.00	
Less : Depreciation		28,285,276.00	15,839,477.00	27,340,197.00	16,784,556.00
					1,000,700.00
<b>INVESTMENT :</b>					
<b>Current Assets, Loans and Advances :</b>					
Inventories	6	422,600.00		365,200.00	
Sundry Debtors	7	3,029,601.00		1,778,128.00	
Loans & Advances	8	28,076,120.00		25,195,149.00	
Cash & Bank balances	9	241,603.00		185,970.00	
		31,769,924.00		27,524,447.00	
Less : Current Liabilities and Provisions	10	2,164,380.00	29,605,544.00	2,550,824.00	24,973,623.00
<b>Miscellaneous Expenditure</b> [ to that extent not written off or adjusted ]	11		695,318.00		818,473.00
<b>Profit and Loss Account</b>	12		35,973,724.00		38,523,906.00
<b>Grand Total</b>			82,114,063.00		82,101,258.00
<b>Significant Accounting Policies</b>					
Notes to the Accounts	18				
Balance Sheet Abstract and General	19				
	20				
Cash flow statement	21				

Place : Gummidi Ponda  
Date : 01/09/2012

For M/s. O.S .HARIHARAN & Company  
Chartered Accountants

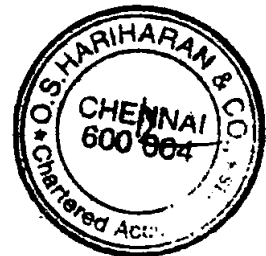
For O.S. HARIHARAN & CO

*O.S. Hariharan*  
PROPRIETOR

For M/s. SOUTHERN LATEX LIMITED

*[Signature]*  
DIRECTOR

DIRECTOR



**SOUTHERN LATEX LIMITED**

Income and Expenditure Account for the period from 01.04.2011 To 31.03.2012

( in Rs. P.)

( in Rs. P.)

Particulars	Sch.No	As at 31.03.2012	As at 31.03.2011
<b>INCOME</b>			
Sales	12	21,522,560.00	24,220,853.00
		<b>21,522,560.00</b>	<b>24,220,853.00</b>
<b>EXPENDITURE</b>			
Purchases	13	12,791,385.00	13,578,210.00
Increase / Decrease in stocks	14		
Seasoning & packing Expenses	15	3,058,940.00	2,359,766.00
Administrative & Selling Expenses	16	2,043,256.00	1,210,884.00
Financial Charges	17	10,563.00	4,360.00
Depreciation	6	945,079.00	1,093,846.00
Preliminary expenses written off		123,155.00	123,155.00
		<b>18,972,378.00</b>	<b>18,370,221.00</b>
Profit for the year		2,550,182.00	5,850,632.00
Less : Extraordinary item			
Prior period adjustments			
Loss brought from Previous Year		(38,523,906.00)	(44,374,537.00)
Loss transferred to B / Sheet		(35,973,724.00)	(38,523,906.00)

Place : *Chennai*

Date : *01/09/12*

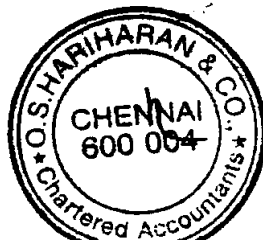
For M/s. O.S .HARIHARAN & Company  
Chartered Accountants

For M/s. SOUTHERN LATEX LIMITED

For O.S. HARIHARAN & CO  
*O.S. Hariharan*  
PROPRIETOR

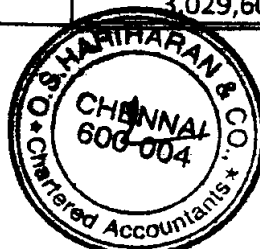
*[Signature]*  
DIRECTOR

DIRECTOR



**SOUTHERN LATEX LIMITED**

Particulars	As at 31.03.2012	As at 31.03.2011
<b>SCHEDULE - 1 SHARE CAPITAL</b>	Rs.	Rs.
Authorised Share Capital 100,000 equity shares of Rs.10/- each	100,000,000.00	100,000,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 7359200 equity shares of Rs.10/- each fully paid	73,592,000.00	73,592,000.00
Share Application Money received	73,592,000.00	73,592,000.00
<b>SCHEDULE - 2 RESERVES &amp; SURPLUS</b>	Rs.	Rs.
Capital Subsidy as per last Balance Sheet	2,036,500.00	2,036,500.00
General Reserve	6,000,000.00	6,000,000.00
	8,036,500.00	8,036,500.00
<b>SCHEDULE - 3 SECURED LOANS</b>	Rs.	Rs.
Interest Free Sales Tax Loan	379,883.00	379,883.00
	379,883.00	379,883.00
<b>SCHEDULE - 4 UNSECURED LOANS</b>	Rs.	Rs.
From Associates	105,680.00	92,875.00
Loan from Directors		
	105,680.00	92,875.00
<b>SCHEDULE - 6 INVENTORIES</b>	Rs.	Rs.
(As Certified by the Management )		
Raw Material at cost	422,600.00	365,200.00
Finished goods at lower of cost and net realisable value		
	422,600.00	365,200.00
<b>SCHEDULE - 7 SUNDRY DEBTORS</b>		
( Unsecured considered good )		
Debts O/s for a period exceeds 6 months	312,641.00	312,641.00
LESS : Provision for Doubtful debts		
	312,641.00	312,641.00
Debts O/s for a period less than 6 months considered good	2,716,960.00	1,465,487.00
	3,029,601.00	1,778,128.00



**SOUTHERN LATEX LIMITED**

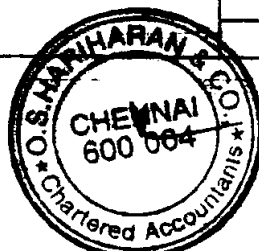
Schedule - 1

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
<b>SCHEDULE - 09 CASH &amp; BANK BALANCES</b>		
Cash on hand	124,077.00	63,520.00
Balance with Schedule banks	117,526.00	122,450.00
	<b>241,603.00</b>	<b>185,970.00</b>
<b>SCHEDULE - 08 LOANS AND ADVANCES</b> ( Unsecured Considered Good )		
Recoverable in cash or in kind or for value to be received	28,076,120.00	25,195,149.00
	<b>28,076,120.00</b>	<b>25,195,149.00</b>
<b>SCHEDULE - 10 CURRENT LIABILITIES</b>		
Sundry Creditors - For Trade & Expenses	1,947,942.00	2,359,808.00
Others	216,438.00	191,016.00
	<b>2,164,380.00</b>	<b>2,550,824.00</b>
<b>SCHEDULE - 11 MISCELLANEOUS EXPENDITURE</b> ( to that extent not written off or adjusted )		
Preliminary & Preoperative Expenses	695,318.00	818,473.00
	<b>695,318.00</b>	<b>818,473.00</b>
<b>SCHEDULE - 12 SALE OF PRODUCTS &amp; OTHERS</b>		
Sale of Coir	21,522,560.00	24,220,853.00
Other Income		
	<b>21,522,560.00</b>	<b>24,220,853.00</b>
<b>SCHEDULE - 13 RAW MATERIAL CONSUMED</b>		
Opening Stock	365,200.00	215,000.00
Add : Purchases	12,712,485.00	13,728,410.00
	<b>13,077,685.00</b>	<b>13,943,410.00</b>
Less : Closing Stock	286,300.00	365,200.00
<b>Material Consumed</b>	<b>12,791,385.00</b>	<b>13,578,210.00</b>



**SOUTHERN LATEX LIMITED**

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
<b>SCHEDULE - 12 SALE OF PRODUCTS &amp; OTHERS</b>		
Sale of Coir	21,522,560.00	24,220,853.00
Other Income		
	21,522,560.00	24,220,853.00
<b>SCHEDULE - 13 RAW MATERIAL CONSUMED</b>		
Opening Stock	365,200.00	215,000.00
Add : Purchases	12,848,785.00	13,728,410.00
	13,213,985.00	13,943,410.00
Less : Closing Stock	422,600.00	365,200.00
Material Consumed	12,791,385.00	13,578,210.00
<b>SCHEDULE - 14 INCREASED / DECREASED IN STOCK</b>		
Op.Stock in W-in-P and Finished Goods		-
LESS : Cl.Stock in W-in-p and Finished Goods		-
	422,600.00	365,200.00
<b>SCHEDULE - 15 MANUFACTURING EXPENSES</b>		
Consumables		
Wages	1,223,500.00	752,895.00
Power & Fuel	1,590,620.00	1,411,774.00
Transportation Charges	214,220.00	166,940.00
Repairs & Maintenance	30,600.00	28,158.00
	3,058,940.00	2,359,767.00
<b>SCHEDULE - 16 ADMINISTRATION &amp; SELLING EXPENSES</b>		
Salaries	729,090.00	433,065.00
Rent	216,000.00	133,100.00
Travelling and Conveyance	17,135.00	3,887.00
Postage, Telegrams & Phones	41,654.00	33,023.00
Vehicle Maintenance	72,890.00	34,995.00
Printing & Stationery	155,630.00	1,150.00
Staff Welfare	36,890.00	29,116.00
Professional Charges	67,520.00	35,500.00
Rate & Taxes	4,987.00	23,117.00
ROC Expenses	4,500.00	3,660.00
Office Maintenance	45,239.00	32,560.00
Audit Fee	30,000.00	15,000.00
Security Charges	160,000.00	122,000.00
Packing Materials	185,890.00	117,560.00
Transportation o/w	95,831.00	40,812.00
Directors' Charges	180,000.00	120,000.00
General Expenses		32,340.00
	2,043,256.00	1,210,885.00
<b>SCHEDULE - 17 FINANCE CHARGES</b>		
Bank Charges	10,563.00	4,360.00
	10,563.00	4,360.00





**SOUTHERN LATEX LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDING**

			In Rs.
	31.03.2012	31.03.2011	31.03.2011
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before Taxation and Extra Ordinary Items	2550182		5850632
Adjustment for :			
Depreciation	945079	1093846	
Financial Charges	10563	4360	
Preliminary Expenses	123155	1078797	1221361
Operating Profit before Working Capital Changes	3628979	123155	7071993
Adjustment for:			
Increase in Inventories	-57400	-170200	
Increase in Sundry Debtors	-1251473	-1000000	
Increase in Loan & Advances	-2880971	-23823644	
Increase/Decrease in Sundry Creditors	-411866	856808	
Decrease in Other Current Liabilities	25422	-4576288	-24078670
<b>Cash Generated from Operation</b>	<b>-947309</b>	<b>58366</b>	<b>-17006677</b>
Cash Flow before Extra Ordinary Item	-947309		-17006677
Extra Ordinary Item	Nil		Nil
<b>Net Cash from/(used) in Operating activities (A)</b>	<b>-947309</b>		<b>-17006677</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale of Investment	1,000,700		Nil
<b>Net Cash from Investing Activities (B)</b>	<b>1,000,700</b>		<b>Nil</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Issuance of Share Capital	Nil	20000000	
Unsecured Loan from Associates	12,805	Nil	
Repayment of Loan to Directors	Nil	-2649268	
Repayment of Loan to Associates	Nil	-278625	
Interest Paid	-10563	2242	17067747
<b>Net Cash from/(Used) in Financing activities ( C)</b>	<b>2242</b>	<b>-4360</b>	<b>17067747</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+( C)</b>	<b>55,633</b>		<b>61070</b>
<b>Cash and Cash Equivalents at the begining of the period (see Note.1)</b>	<b>185970</b>		<b>124900</b>
<b>Cash and Cash Equivalents at the end of the period ((see Note.2)</b>	<b>241603</b>		<b>185970</b>
<b>Note to the Cash Flow Statement:1</b>			
	31.03.2012	31.03.2011	
Cash in hand	63520	18450	
Balance with Schedule Bank	122450	106450	
<b>Cash Flow at the Beginning of the Period</b>	<b>185970</b>	<b>124900</b>	
<b>Note to the Cash Flow Statement:2</b>			
	31.03.2012	31.03.2011	
Cash in hand	124077	63520	
Balance with Schedule Bank	117526	122450	
<b>Cash Flow at the end of the Period</b>	<b>241603</b>	<b>185970</b>	

Sd/-  
O.S.Hariharan & Co

Sd/-  
Govindan Manivannan  
Director

Sd/-  
N Pillai Neelakanda

Chartered Accountants  
Proprietor

Director

Chennai  
the 01<sup>st</sup> day of September, 2012

**SOUTHERN LATEX LIMITED**

**Schedule - 5 FIXED ASSETS :**

Sl. No	Particulars	31.03.2011	Additions	31.03.2012	31.03.2011	Additions	31.03.2012	31.03.2012	31.03.2012	31.03.2011
01	Lease Hold Land	306,000.00		306,000.00				306,000.00		306,000.00
02	Free Hold Land	5,085,123.00		5,085,123.00				5,085,123.00		5,085,123.00
03	Factory Building	10,716,483.00		10,716,483.00	5,695,398.00	251,054.00	5,946,452.00	4,770,031.00		5,021,085.00
04	Plant & Machinery	24,276,836.00		24,276,836.00	18,432,232.00	642,906.00	19,075,138.00	5,201,698.00		5,844,604.00
05	Electrical Installation	1,436,851.00		1,436,851.00	1,435,442.00	282.00	1,435,724.00	1,127.00		1,409.00
06	Office Equipment	86,320.00		86,320.00	50,747.00	1,779.00	52,526.00	33,794.00		35,573.00
07	Vehicle	151,626.00		151,626.00	151,626.00		151,626.00			
08	Furniture & Fitting	732,535.00		732,535.00	587,267.00	14,527.00	601,794.00	130,741.00		145,268.00
09	Generator	1,297,506.00		1,297,506.00	952,626.00	34,488.00	987,114.00	310,392.00		344,880.00
10	Cycles	2,013.00		2,013.00	1,399.00	43.00	1,442.00	571.00		614.00
11	Computers	33,460.00		33,460.00	33,460.00		33,460.00			
		44,124,753.00		44,114,753.00	27,340,197.00	945,079.00	28,285,276.00	15,839,477.00		16,784,556.00



## **SCHEDULE : 18 SIGNIFICANT ACCOUNTING POLICIES**

### **FIXED ASSETS**

Fixed Assets are stated at cost of acquisition and subsequent improvement thereto inclusive of taxes, duties, freight and other incidental expenses related to acquisition, improvement and installation .

### **DEPRECIATION :**

Depreciation on fixed assets other than land is provided on "Straight Line Method" at the rate which are in conformity with the requirement of schedule XIV to the companies act, 1956.

### **REVENUE RECOGNITION:**

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customers net of rate difference and discount given.

### **INVENTORIES:**

Inventories are valued on the following basis:

- a) Raw material at cost
- b) Work In progress at cost
- c) Finished goods at lower of cost and net realizable value.

### **MISCELLANEOUS EXPENDITURE:**

Miscellaneous expenditure is amortised over the number of years, as prescribed in the provision of Income Tax act, 1956.

### **SYSTEM OF ACCOUNTING:**

The company adopts the accrued concept in the preparation of the accounts.

### **INFLATION:**

Assets and Liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

### **CONTINGENT LIABILITIES:**

Contingencies are disclosed.

**PRIOR PERIOD ADJUSTMENTS, EXTRA-ORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICY :**

There are no prior period adjustments, extra-ordinary items and no changes in accounting policy as compared to previous years.

**SCHEDULE: 19 NOTES TO THE ACCOUNTS**

1. The estimated amount of contracts remaining to be executed on capital account and not provided in the books of accounts : Rs. Nil
2. Contingent liabilities in respect of :
  - a) Claims against the company not acknowledged as debits :
  - b) Letter of Guarantee :Rs.Nil(sanctioned Rs.5 lacs,availed :Rs.Nil)
  - c) Letter of Credit :Rs.Nil(sanctioned Rs.5 lacs,availed :Rs.Nil)
  - d) Disputed Liability :
    - I. Sales Tax Rs.113.00 lakhs
    - II. Synerg financial Services Limited Rs.102.00 Lakhs
3. The company has not changed the method of valuation of stocks of work-in-progress and finished goods.
4. No provision for income tax is considered necessary in view of Loss from operation during the year.

**5. RETIREMENT BENEFITS**

- I. **Gratuity** : As the company has no employees working for than five years ,no Gratuity has been provided by the accompany in the accounts. However, the management will be taking steps to introduce Group Insurance Scheme with the Life Insurance Corporation of India for gratuity payment.
  - II. **Provident Fund** : The company is making effort to enroll with P.F.Authorities.
6. Interest to Bank for term loans and working capital loans is provided as per the documented rates of interest after considering penal interest on overdues.
  7. Sitting fees of Rs.1,80,000 has been provided to Directors for attending Board meeting held during the year.
  8. Preliminary expenses have been amortized as per the provisions of section 35D of the Income tax act,1961.
  9. Provision and /or payments in respect of statutory auditor's remuneration.

Particulars	31.03.2012	31.03.2011
Audit Fees	30000	15000

10. Sundry Debtors/Creditors/Loans & Advances and subject to the confirmation and reconciliation.

Place: GUMMIDI POONDI

Date : 01/09/2012

sd/-  
D.S. Haricharan & Co  
Chartered Accountants  
Proprietor

sd/-  
DIRECTOR

sd/-  
DIRECTOR

**SOUTHERN LATEX LIMITED**  
 B-11/W, SIPCOT Industrial Complex, Gummidipoondi,  
 Tiruvallur District – 601 201, Tamilnadu.  
**PROXY FORM**

DP ID	Client ID
Registered Folio No.*	No. of Shares

I/We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

being a member(s) of Southern Latex Limited do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ (or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy and to vote for me / us on my / our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company scheduled to be held on Saturday, the 29<sup>th</sup> day of September 2012 at 12.00 noon at the registered office of the Company at B-11/W,SIPCOT Industrial Complex, Gummidipoondi, Tiruvallur District – 601 201, Tamilnadu.

Signed by the said \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_ 2012

Affix Re.1 Revenue Stamp
-----------------------------------

\* As applicable for investor holding shares in physical form

Note: The proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

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**SOUTHERN LATEX LIMITED**  
 B-11/W, SIPCOT Industrial Complex, Gummidipoondi,  
 Tiruvallur District – 601 201, Tamilnadu.

**ATTENDANCE SLIP**  
**PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

DP ID	Client ID
Registered Folio No.*	No. of Shares

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company held at the registered office of the Company at B-11/W,SIPCOT Industrial Complex, Gummidipoondi, Tiruvallur District – 601 201, Tamilnadu, and at any adjournment thereof.

Member's / Proxy's Signature

\* as applicable for investor holding shares in physical form

## E-Mail Registration

To  
**M/s.Cameo Corporate Services Limited**  
"Subramanian Building"  
No.1, Club House Road,  
Chennai 600 002,  
Phone No.044-28460390-94,  
Fax No.28460129,  
Email : [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

Dear Sir / Madam,

### **Sub: Registration of E-mail ID for receiving communications in electronic form.**

I am a Shareholder of the Company; I want to receive all communications from the Company including AGM and General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Director's Report, Auditor's Report etc., through e-mail. Please register my e-mail ID set – up below in your record for sending communication through e-mail:

Folio No.\* \_\_\_\_\_

Name of the 1<sup>st</sup> Registered Holder \* \_\_\_\_\_

Name of the Joint Holder(s) \_\_\_\_\_

Address \* \_\_\_\_\_

Pin Code\* \_\_\_\_\_ E-Mail ID \* \_\_\_\_\_

Contact Tel. No\* Mobile \_\_\_\_\_ Landline \_\_\_\_\_

\*Date \_\_\_\_\_ Signature of 1<sup>st</sup> Holder\* \_\_\_\_\_

#### **Important Notes:**

- a. Field marked\* are mandatory for registration of the e-mail ID
- b. On registration, all the communication will be sent the e-mail ID registered in folio.
- c. Any change in e-mail ID, from time to time, may please be registered in the records of the Company.