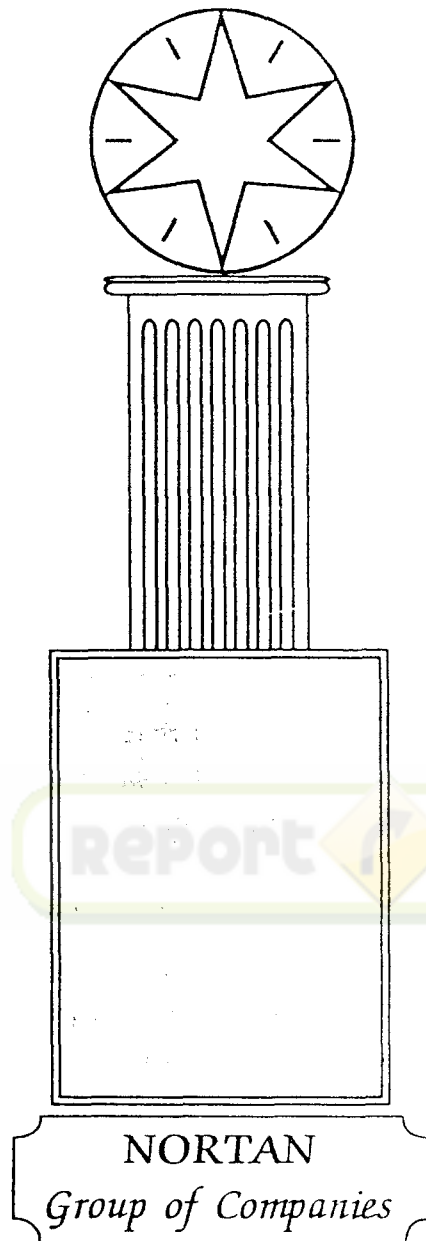


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*Annual Report 1996-97*



# SOUTHERN LATEX LIMITED

## Board of Directors

1. MR. V.K. PADMANABHAN (Chairman)
2. MR. S. MEGANATHAN (Managing Director)
3. MR. S.M.BOHRRA
4. MR. S.T. VANCHINATHAN
5. MR. PADMAKANT D SHAH
6. MR. J. NIRMAL JOSEPH
7. MR. G. KHUMARESAN
8. MR. K. PADMANABHAN

## Registered Office

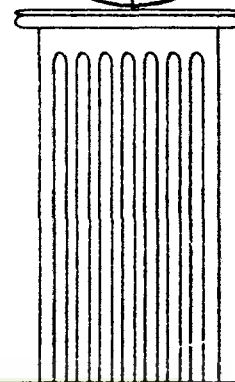
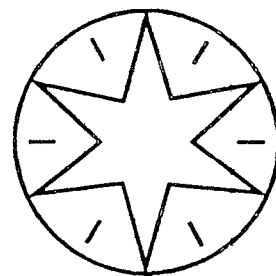
B-11/W SIPCOT Industrial Complex,  
Gummidipoondi,  
Chengai MGR District - 601 201.

## Auditors

O.S. Hariharan & Company,  
Chartered Accountants,  
No. 34, Veerabadran Street,  
Second Floor, Luz,  
Mylapore, Madras - 600 004.

## Bankers

State Bank of India  
State Bank of Hyderabad



**NORTAN**  
*Group of Companies*

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**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of the company will be held at the Registered Office of the company at B-11/W SIPTCOT Industrial Complex, Gummidipoondi, Chengai MGR District - 601 201 at 11 A.M. on Monday, the 22nd September 1997 to transact the following :

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31st March 1997 and the Auditors' and Directors' Reports thereon.
2. To appoint a Director in place of Mr. J. Nirmal Joseph, retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. G. Khumaresan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Place : Madras . By Order of the Board

Date : 29th July 1997

**For SOUTHERN LATEX LIMITED**

**S. MEGANATHAN**  
**MANAGING DIRECTOR**

**NOTE :**

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A MEMBER AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Instrument of proxy duly stamped and executed should be deposited at the Registered Office of the company atleast forty eight hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 11.09.1997 to 22.09.1997 (both days inclusive)

## DIRECTOR'S REPORT

Your Directors have great pleasure in presenting the Eighth Annual Report together with the Audited Accounts for the year ended 31st March 1997. The financial highlights of your company are as follows :

	1996 -97 Rs. in Lacs	1995-96 Rs.inlacs
<b>Net sales</b>	<u>359.27</u>	<u>445.43</u>
Profit before the Depreciation	-43.54	67.43
LESS : Depreciation	<u>16.48</u>	<u>16.46</u>
Profit before Tax	-60.02	50.907
Provision for Tax	<u>NIL</u>	<u>NIL</u>
Profit After Tax	-60.02	50.97
ADD : Profit b/f from the previous year	<u>28.55</u>	7.59
Profit available for appropriation	-31.47	58.56
<b>APPROPRIATION</b>		
Transferred to General Reserve	—	30.00
Dividend	—	—
Balance carried forward	<u>31.47</u>	<u>28.56</u>
	-31.47	58.56

### OPERATIONS

The Net operational income during the year amounts to Rs. 359.27 Compared to Rs. 445.53 of the previous accounting period registering a decline of 19.34% in sales. This is mainly due to changing pattern of consumer behaviour arising on account of acute liquidity crunch. Customers tend to postpone the purchase of mattresses in preference to immediate necessities. We have made a study of this declining trend and the survey reveals that the competitors also suffer on this score, saddled with mounting overdues. However, the latter half of 1997 will see a reversal of this trend and the sales are likely to pick up. The latex plant at Nagercoil has been functioning to the optimum level thanks to the relative stability in rubber prices.

The decline in sales volume had resulted in the loss of Rs.60.02 lacs. We hope to avert this trend by strategic marketing by means of diversification. Hence, the dividend for the year is skipped.

**FUTURE PROSPECTS**

The company is planning to aggressively market our processed latex to upcountry market. The company also is seriously pursuing the possibility of processing our by-product namely coir pith and hence the future prospects appear bright.

**RESOURCES**

The prolonged liquidity crunch has had a definitive impact on your company's requirement of working capital. The consortium bankers, the State Bank of India and State of Hyderabad have renewed the funded and non funded limit. The company has submitted a comprehensive proposal seeking enhancement in the working capital limits and the same is under consideration.

**DIRECTORS**

Your Directors record with regret the sudden and untimely demise of Mr. T.R. Varadarajan, a Director in a tragic road accident at Mumbai. Mr. T.R. Varadarajan has been one of the most versatile person with business acumen and his loss has been irreparable to the board.

Mr.G. Khumerasan, Mr.I. Nirmal, Joseph, Director, retired by rotation and being eligible, offer themselves for appointment.

**PERSONNEL**

None of the employees received remuneration during the year in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The statement 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 to the extent applicable are set out in the annexure hereto.

**AUDITORS**

M/s. O.S. Hariharan & Co., Chartered Accountants, Madras, retiring at the ensuing Annual General Meeting, are eligible for re-appointment.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the support received from State Bank of India, Industrial Finance Branch and State Bank of Hyderabad, Madras Main Branch.

Your Directors also wish to place on record appreciation and thank all the employees for their unstinted co-operation and support.

Place : Madras

Date : 29.07.97 on behalf of the Board.

# ANNEXURE TO DIRECTORS REPORT CONSERVATION OF ENERGY

Information as required under Section 217(1)(e) read with the Companies  
(Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

## A. Conservation of Energy.

- a) The Company continues to monitor centre of energy consumption for effective utilisation.
- b) Total energy consumption are given in Annexure - Form A.
- c) Efforts made in technology absorption are given in Annexure - Form B.

## B. Foreign exchange earnings and outgo.

- a) Activities relating to exports initiatives taken to increase exports, development of new export markets for products and services and export plans : NIL
- b) Total foreign exchange used and earned :

	1996-97 Rs.	1995-96 Rs.
Earnings - outgo		
i) On account of foreign travel	N.A.	N.A.
ii) on account of consultancy		
iii) on account of dividend remitted		

## Form A (Rules 2)

Form of disclosures of particulars with respect to conservation of energy

	1996-97 Rs.	1995-96 Rs.
<b>A) Power and fuel consumption</b>		
1. Electricity		
a) Purchased Units (kwh)	98,394.51	1,21,555
Total amount (Rs.)	2,64,681.20	3,26,983
Rate/unit (Rs. /kwh)	2.17	2.69
b) Own generation		
i) Through diesel generator Units (kwh)	9,596	11,854
Unit per litre of diesel oil (kwh)	2	2
Cost/Unit (Rs. /kwh)	3	3
ii) Through steam turbine/ generator unit (kwh)		
Unit per tonne of fuel (kwh)	N.A.	N.A.
Cost/unit (Rs. /kwh)		



**FORM A (RULE 2) (contd.)**

<b>2.</b>	<b>Fire Wood (SPECIFY QUALITY AND WHERE USED)</b>		
	Quantity in tonnes	598	739
	Total cost (Rs.)	5,38,200	4,56,803
	Average rate (Rs. /t)	900	618
<b>3.</b>	<b>Quantity (K. Ltrs)</b>		
	Total Cost (Rs.)	N.A.	N.A.
	Average rate		
<b>4.</b>	<b>Others/internal generation</b>		
	Bagasse	N.A.	N.A.
	Quantity (K. ltrs)		
	Total Cost (Rs.)		
	Rate per unit		
<b>B)</b>	<b>Consumption per unit of production standards (if any)</b>		
	Product		
	Electricity (kwh)	N.A.	N.A.
	Furnace oil (ltr)		