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For SOUTHERN LATEX LIMITED

N. Neelakandappa
Director

Annual Report 2003-2004

Southern Latex Limited

Board of Directors

Mr. A.P.Vetrivel

Mr. N.Neelaganda Pillai

Mr. B.Thirumoolam

Registered Office

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

Auditors

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

Banker

State Bank of India
State Bank of Hyderabad

Listing of Shares with

Madras Stock Exchange (Regional)
Mumbai Stock Exchange
Coimbatore Stock Exchange (Regional)

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Monday the 27th September 2004 at 11.00 at the Registered Office of the Company at B-11/W SIPCOT Industrial Complex, Gunmidipoondi, Tiruvalluvar District - 601201 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March 2004, the Profit and Loss Account for the year ended on that date, the report of the Auditors thereon and the report of the Board Directors.
2. To appoint auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

3. To appoint Mr.A.P.Vetrivel as Director of the Company, liable to retire by rotation.
4. To appoint Mr.N.Neelaganda Pillai as Director of the Company, liable to retire by rotation.
5. To appoint Mr.B.Thirumoolam as Director of the Company, liable to retire by rotation.

Place : Gummidipoondi

Date : 31.07.2004

By order of the Board

A.P.VETRIVEL
Director

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 on his behalf and the proxy need not be a member. The proxy form duly completed and stamped must reach the Registered Office of the company not less than 48 hour before the time for holding the aforesaid meeting.
2. The Explanatory Statement setting out material facts, in respect of the business under item No.3, 4 & 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 17/09/2004 to 27/09/2004 both days inclusive.

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4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate change in their address, if any, to the Company at its Registered Office quoting their folio numbers
6. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Subject No:3

Mr.A.P.Vetrivel was appointed as Additional Director of the Company with effect from 5th November 2003 to be liable to retire by rotation. As per the provisions of the Companies Act, 1956, he vacates office at the ensuing annual general meeting. A resolution seeking his appointment as Director liable to retire by rotation is being placed at the ensuing annual general meeting and the Board commends the same for approval by member. Except the appointee, no other director is interested or concerned in this resolution.

Subject No:4

Mr.Neelganda Pillai was appointed as Additional Director of the Company with effect from 5th November 2003 to be liable to retire by rotation. As per the provisions of the Companies Act, 1956, he vacates office at the ensuing annual general meeting. A resolution seeking his appointment as Director liable to retire by rotation is being placed at the ensuing annual general meeting and the Board commends the same for approval by member. Except the appointee, no other director is interested or concerned in this resolution.

Subject No:5

Mr.B.Thirumoolam was appointed as Additional Director of the Company with effect from 5th November 2003 to be liable to retire by rotation. As per the provisions of the Companies Act, 1956, he vacates office at the ensuing annual general meeting. A resolution seeking his appointment as Director liable to retire by rotation is being placed at the ensuing annual general meeting and the Board commends the same for approval by member. Except the appointee, no other director is interested or concerned in this resolution.

Place : Gummdipoondi

Date : 31.07.2004

By order of the Board

A.P.VETRIVEL
Director

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DIRECTORS REPORT

Your Directors present Annual Report with the accounts for the year ended 31st March 2004

CORPORATE RESULTS

The Financial Results of the company for the year ended 31st March 2004 are summarized below:

		(Rs. in Lakhs)
Loss before Depreciation	-	(60.75)
Depreciation	-	(10.18)
Loss after Depreciation	-	(50.57)
Loss Brought Forward	-	(469.05)
Loss carried to Balance Sheet	-	(519.63)

OPERATION

The Domestic sales during the year under review Rs.32.72 lakhs.

DIVIDEND

Your Directors do not recommend any dividends for the year.

DEPOSITS

Your company has not accepted any deposits under Sec-58A of the companies Act 1956 during the year under review.

EROSION OF NET WORTH

During the year, the Company has become a Sick Industrial Company within the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

DIRECTORS

Mr.G.Manivannan resigned as Managing Director and also as Director of the Company with effect from 5-11-2003.

Mr.S.M.Bohra and Mr.Padmakant Shah and Dr.Nirmal Joseph also resigned as Directors with effect from 5-11-2003.

Mr.N.Neelaganda Pillai, Mr.A.P.Vetrivel and Mr.B.Thirumoolam were appointed as Additional Directors of the Company with effect from 5-11-2003. Resolutions seeking their appointment as Directors forms part of the notice of the meeting.

AUDITORS

M/s. O.S.Hariharan & Co, Chartered Accountants, Chennai, the Auditors of the company retire at the conclusion of the Ninth Annual General Meeting and are eligible for reappointment. Your Directors recommended their reappointments.

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INFORMATION AS PER SEC 217 (2A) OF THE COMPANIES ACT, 1956.

There are no employees falling within the purview of sec 217 (2A) of Companies Act. 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under provisions of section 217(2A) of Companies Act 1956 your Directors confirm:

1. that in preparation of the Annual Accounts, the applicable accounting standards have been duly followed and with suitable explanation where are material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.
3. that the Directors had taken proper and sufficient care for the maintain of adequate accounting records in accordance with the provisions of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that the Directors had prepared the annual accounts on a going concern basis.

INFORMATION RELATING TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has no activity to conservation of energy or technology absorption.

Foreign Exchange earning & outgo. NIL

LISTING ARRANGEMENT

As per recent amendment made in the clause 32 of Listing Agreement with the Stock Exchanges where the Companies Securities are listed along with other required details are summarized below:

S.No.	Name of the Stock Exchange where Securities are quoted	Listing Fee paid upto
1.	The Stock Exchange - Mumbai	2001-02
2.	Madras Stock Exchange Ltd., - Chennai	2001-02

ACKNOWLEDGEMENT

The Directors place on record their appreciation for continued support received from the share Holders, Bank, Government Authorities, Employees and all the other concerned.

Place :Gummidipoondi

Date :31/07/2004

By order of the Board

A.P.Vetrivel
DIRECTOR

Southern Latex Limited**15th Annual Report****AUDITORS REPORT****TO THE SHAREHOLDERS OF M/S.SOUTHERN LATEX LIMITED**

We have examined the attached Balance Sheet of M/s.Southern Latex Limited as at 31st March 2004 and the annexed Profit and Loss Account for the year ended on that and report that.

- 1 As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of Companies Act, 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2 Further to the comments in the annexure referred to in paragraph 1 above
 - 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 accounts as required by law have been kept by the company.
 - c) The Balance Sheet and Profit & Loss account dealt with by the report are in agreement with the books of account.
- 3 In our opinion and to the best of our information and according to the explanations furnished to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - i) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2004 and
 - ii) In the case the Profit & Loss Account, of the Loss for the year ended on that date.
4. Based on information furnished and explanations made available to us none of the directors are disqualified as on 31.03.2004, from being appointed as Director in terms of clause (g) of Sub section (1) of section 274 of the Companies Act 1956.

For O.S.Hariharan & Company
Chartered Accountants

O.S.Hariharan
Partner

Place : Gummidipoondi
Date : 31-07-2004

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE.

1. The Company has maintained proper records showing full particulars including quantitative details and the situation of its fixed assets. The Fixed Assets were physically verified and is reasonable.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management at reasonable periods during the year in respect of raw materials, (except firewood) spares, stores and finished goods.
4. 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.
5. 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.
6. 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.
7. The company has not granted secured and unsecured loans to Companies listed in the register maintained under section 301 of the Companies Act, 1956. There are no companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
8. The company has given advances in the nature of loans to the employees which are interest free and are being recovered as stipulated except in the case of employees who have left the service of the company for which adequate provision has been made in the books.
9. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of raw materials, including components, stores, plant and machinery, equipment and other assets and for the sale of goods.
10. 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 the nature of service rendered.
11. Unserviceable and damaged stores, raw-materials and finished goods have been determined and provision for the loss has been made in the books.
12. The Company has no deposits and hence the provision of Section 58A of the Companies Act, 1956 and the rules framed there under are not applicable.
13. In our opinion, the Company is maintaining reasonable records for the sale and disposable of the scraps. We are informed that the Company has no by-product.

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14. The Company has an internal Audit System commensurate with the size and the nature of its business.
15. The Central Government has not prescribed the maintenance of cost records Under Section 209 (1) (d) of the Companies Act, 1956.
16. According to the information and explanations given to us, the company is making efforts to enroll with the P.F. authorities.
17. 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.
18. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue accounts, other than those payable under contractual obligations or in accordance with generally accepted business practice.
19. The Company is a Sick Industrial Company within the meaning of Clause (0) of Sub-Section(1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of trade items, there were no damaged goods.

For O.S.Hariharan & Company
Chartered Accountants

O.S.Hariharan
Partner

Place : Gummidipoondi
Date : 31-07-2004