

# **SOUTHERN LATEX LIMITED**

**33<sup>rd</sup> ANNUAL REPORT  
2021-2022**

## Boards of Directors

Managing Director	<b>Mr. N. Neelakanda Pillai</b>
Non Executive & Independent Director	<b>Mr. V K Balaji</b>  <b>Ms. Santhi</b> Woman Director
Non Executive & Non Independent Director	<b>Mr. Muralikrishnan</b>
Company Secretary & Compliance officer	<b>Ms. Kavitha. C</b>

Auditors	Secretaries & Auditor
<b>KANNAN AND ALAMELU</b> Chartered Accountants, Flat No. 6, First Floor, "A" Block, Durgamba Apartments, No. 29, Padmavathiar Road, Gopalapuram, Chennai - 600086.	<b>Span &amp; Co., Company Secretaries LLP</b> No.95/7, Arcot Road, Virugambakkam, Chennai- 600 092

Bankers	Registered and Corporate office
Union Bank of India, Triplicane Branch, Chennai - 600005.	<b>Registered Office:</b> B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Tiruvalluvar District - 601201.  <b>Corp office:</b> No. 66, New Avadi Road 2nd Floor, S2 Kurunji Apartments, Chennai 600 010 Tel : +91 44 26601313 Email id : <a href="mailto:southernlatexltd@yahoo.com">southernlatexltd@yahoo.com</a> Website : <a href="http://www.southernlatex.in">www.southernlatex.in</a>

**CIN - L25199TN1989PLC017137**

Listing	Registrar & Share Transfer Agent
BSE Ltd Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001	M/s. Cameo Corporate Services Limited "Subramanian Building" No. 1, Club House Road, Chennai - 600002 Phone : +91 44 - 2846 0390-94 Fax : +91 44 - 2846 0129 E-mail : <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>
Stock Code : 514454	ISIN Number : INE410M01018

## DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2022.

on growth track. The Board will give all efforts to give the shareholders all the value.

### SHARE CAPITAL

During the Financial year, the Company had not issued any Equity Shares with Differential rights, any Sweat Equity Shares and any Employee Stock Options.

### FINANCIAL RESULTS:

(In Rs.)		
Particulars	2021-22	2020-21
Total Income	48,32,220	46,46,220
Less : Expenses	21,91,320	20,70,037
EBITDA	26,40,900	25,76,183
Less: Depreciation	1,73,738	2,11,695
Profit after depreciation but before tax( PBT)	24,67,162	23,64,489
Less: Taxes	4,74,929	4,55,164
Net profit/(Loss)for the period	19,92,233	19,09,324
No. of Shares	73,59,200	73,59,200
EPS	0.27	0.26
Proposed Dividend	-	-
Dividend Tax	-	-
Balance of Profit Carried to B/S	19,92,233	19,09,324

### OPERATIONS AND STATE OF COMPANY AFFAIRS

The year to which this report relates is to the thirty third year of incorporation/operation. Your Company was incorporated to carry on the business of manufacturing, processing and selling of rubberized coir products. However with the change in policy and demand of market the business went down and the Company has not been able to grow.

Your Company is not having any commercial operation or operative income during the year. The Company has retained earnings on which interest is earned. During the year under review, your Company had earned Rs. 48.32 lakh and resulting net profit of Rs. 19.92 lakh as compared with the previous year as Rs. 46.46 lakh and Rs. 19.09 lakh respectively.

Your Directors are exploring all options to bring new business to Company and to make the Company back

### DIVIDEND

Owing to conserve the resources of the company, your Directors do not recommend any Dividend for the Financial Year ended at 31st March, 2022.

### MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no significant material changes and commitment affecting the financial position of the company between the end of the financial year and the date of this report.

### TRANSFER TO RESERVE

The Board does not propose any amount to carry to any specific reserves.

### CHANGES IN NATURE OF BUSINESS

There is no significant change in the business activity of the company during the financial year.

**CORPORATE GOVERNANCE**

As per pursuant to the provision of Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 the Company is Not Required To Comply with the Corporate Governance Provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation

46 and para C, D and E of Schedule V.

**DETAILS OF SUBSIDIARY**

There are no subsidiaries and Joint Ventures Companies.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

There are no changes in the Directors or the Key Managerial personnel of the Company.

**MANAGERIAL REMUNERATION**

The information required under Section 197 of the Act and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Name of the Director	Designation	Remuneration Paid in Fy 2021-22 (in Rs.)	% increase of remuneration in 2022 as compared to 2021 previous year	Ratio/ Times per Median of employee Remuneration
Mr.V K Balaji	Independent Director	NIL	NA	NA
Mr. N Neelakanda Pillai	Managing Director	NIL	NA	NA
Mr. MuraliKrishnan	Director	NIL	NA	NA
Mr. Santhi	Independent Director	NIL	NA	NA
Ms.Kavitha.C	Company Secretary	4,20,000	NA	NA

There is no employee who is drawing remuneration more than One Crore and Two Lakhs per annum, more than Eight Lakhs and Fifty Thousand per month and more than the remuneration of Managing Director or Whole Time Director.

- Number of permanent employees on the rolls as on 31st March 2022 is 4.
- The Board confirms that the remuneration paid to the directors is as per the remuneration policy.

**CODE OF CONDUCT**

The members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct as formulated by the Company.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received from its Independent Directors the necessary declaration that they meet the criteria of Independence as provided.

**EVALUATION OF THE BOARD AND ITS COMMITTEE**

The Board has made a formal annual evaluation of its own performance and that of its individual directors and Committees.

The following policies relating to Appointment of Directors, payment of Managerial Remuneration, Directors Qualification, positive attributes, independence of Directors and other related matters as provided under the Section 178(3) of the Companies Act, 2013 of the Company are attached for

- Policy relating to selection of Directors appointment- Annexure B
- Remuneration policy for Directors, Key Managerial Personnel and other Employees- Annexure C.

**AUDITORS****STATUTORY AUDITORS**

The Statutory Auditors M/s Kannan & Alamelu were appointed at the 29th Annual General Meeting held on 24th September, 2018 as Statutory Auditors for a period of 5 Years.

**SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013 and Rules there under, the Board has appointed, M/S SPAN & Co Company Secretaries LLP, as Secretarial Auditor of the Company for a period of five years from the financial year 2018-19 to 2022-23.

**AUDIT REPORTS**

- The Auditors' Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

- The Secretarial Auditors' Report for Financial Year 2021-22 does not contain any adverse remark. The Secretarial Auditors' Report is enclosed as Annexure D to the Board's report in this Annual Report.

**EXTRACT OF THE ANNUAL RETURN**

As required under Section 134(3) (a) of the Act, the Annual Return is put up on the Company's website.

**BOARD OF DIRECTORS**

During the year five Meetings of the Board of Directors were held. The details of the Meetings are furnished below.

The dates on which the said meetings were held are as follows: 29th April, 2021, 11th August, 2021, 2nd September, 2021, 10th November, 2021, and 10th February, 2022.

**The Name and Categories of the Directors on the Board their attendance at the Board meeting held during the year and the number of directorships and committee positions held by them during the financial year 2021-22 are as follows:**

Sl. No	Name(s) of Director(s)	Executive/ Non-executive/ Independent	Number of Board Meetings during the Year		Whether attended last AGM held on 29th September, 2021	Number of Directorship in other Public Companies		Number of Committee positions in other Public Companies	
			Held	Attended		Member	Chairman	Member	Chairman
1	Mr. Neelakanda Pillai	ED	5	5	Yes	Nil	Nil	Nil	Nil
2	Mr. V.K. Balaji	ID/ NED	5	5	Yes	Nil	Nil	Nil	Nil
3	Mr. Muralikrishnan	NED	5	5	Yes	Nil	Nil	Nil	Nil
4.	Mrs.Santhi	ID/ NED	5	5	Yes	Nil	Nil	Nil	Nil

**COMMITTEES OF THE BOARD AND MEETINGS**

As on March 31, 2022, the Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

Responsibility Committee as the provisions relating to maintenance of such committees is not applicable to the Company.

During the year 2018-19 the Board has dissolved the Risk Management Committee and Corporate Social

**A. Audit Committee**

Terms of Reference: The Company has constituted a qualified independent Audit Committee which acts as

a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits. The brief description of the terms of reference of the Committee is given below

- Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any, in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any, arising out of auditing findings
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any, in the draft audit report.
- Review of adequacy of internal control systems, internal audit function and discussion on internal audit reports.
- To have full access to information contained in the records of the company and external professional advice, necessary.

To oversee the Company's financial process and the disclosure of its financial information to ensure that the financial statements are true and fair.

**The composition of the Audit Committee and the details of meetings attended by its members are given below:**

Sl. No.	Name	Designation	Meeting Attended
1	Mr. V K Balaji	Chairman	4
2	Mr. Neelakanda Pillai	Member	4
3	Mrs. Shanti	Member	4

Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 29th April, 2021, 11th August, 2021, 10th November, 2021, and 10th February, 2022.

The necessary quorum was present at all the meetings. All the members of the Committee have wide exposure and possess sound knowledge in the area of Accounts, finance, audit, internal control etc.

## B. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee (NRC) constituted pursuant to the provisions

of Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act.

## Terms of Reference

The brief description of the terms of reference of the Committee is given below:

- Formulate Remuneration Policy and a policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

**Composition of the Nomination and Remuneration Committee and Attendance of each member in the Committee Meetings are given below.**

During the financial year 2021-22, one meeting was held on 10th November, 2021.

## Composition:

Sl. No.	Name(s) of Director (s)	Designation	Meeting Attended
1	Mr. Muralikrishnan	Chairman	1
2	Mr. V.K. Balaji	Member	1
3	Mr. Neelakanda Pillai	Member	1
4	Ms. Santhi	Member	1

During the year concerned, none of the Directors have been paid any remuneration but they have been reimbursed their actual expenses i.e., Conveyance & Food etc for attending the Board & other Committee Meetings.

### C. Stakeholders Relationship committee:

#### Terms of Reference

The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors' services and reviews all matters connected with transfer/transmission of securities of the Company and approves issue of duplicate certificates. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend etc.

The composition of the Stakeholders Relationship Committee and attendance of each member in the Committee Meetings is given below:

During the year three meetings were held, 28th October, 2021, 05th January, 2022, 31st March 2022.

Sl. No.	Name(s) of Director (s)	Designation	Meeting Attended
1	Mr. Muralikrishnan	Chairman	3
2	Mr. V.K. Balaji	Member	3
3	Mr. Neelakanda Pillai	Member	3
4	Ms. Santhi	Member	3

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the Annual Financial Statements for the year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- for the financial year ended March 31, 2022, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company

at the end of the financial year and of the Profit of the Company for the financial year ended March 31, 2022;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual financial statements have been prepared on a going concern basis;
- That proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not made any loans or investment and has not given any guarantees as per the provisions of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2021-22.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant transactions with Related Parties during the financial year 2021-22 which were in conflict with the interest of the Company. Accordingly the details in the Form AOC 2 are not applicable.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee.

**DEPOSITS**

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 for the financial year ended March 31, 2022.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has designed a proper and adequate internal control system to ensure adherence to the Company's policies, the assets are safeguarded, and that transactions are accurate, complete and properly authorised prior to recording. Details are provided

in Management Discussion and Analysis Report in Annexure A to this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Energy Conservation is being given top priority and the Company monitors the energy costs and reviews the consumption of energy on a regular basis.

**B. FOREIGN EXCHANGE EARNING AND OUTGO**

There was no foreign exchange expenses and income during the year.

**Acknowledgments**

We thank our customers, vendors, investors, bankers, employee for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels to achieve its growth plan.

On behalf of the Board of Directors

**N. Neelakanda Pillai**  
Managing Director

**Murali Krishnan**  
Director

Place: Chennai  
Date: 18-05-22



## ANNEXURE A

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY OUTLOOK

The management and discussion analysis of our Company discusses our financial and operating performances, business indicators and outlook from management's viewpoint.

### INDUSTRIAL OUTLOOK

#### OVERVIEW:

The global economy faced an unprecedented crisis during the financial year 2021-22, forcing governments to enforce lockdowns again of all economic activity. The focus of the Company was to ensuring the health and well-being of all employees, and on minimizing disruption to services of all employees, and on minimizing disrupting to services to all our customers globally. Economic activities were heavily hit and the uncertainties about the post pandemic situations and discouraged investment.

#### GLOBAL MARKET

Global industries are expected to flourish at high speed. Analysts are anticipating more expansion with latest technologies in manufacturing. But the Covid 19 pandemic, has affected the market in the same manner as numerous disrupted industries across the globe. Lockdown has led to the shutdown of production facilities and raw material transportation. After many ups and downs, the world is on a new corridor of industrial revolutions.

The niche products and delivery model is becoming important and Indian Industrial Rubber providers will need to adapt themselves in this prevailing situation obtained all over the world. From a growth perspective, the future is still bright and has been impacted by the after effects of recession, witnessed by everyone.

#### BUSINESS OVERVIEW

A significant proportion of all Indian businesses fall under the small and medium enterprise segment. So, a broad-based, sustainable growth in the Indian economy

can emerge only if the country's SMB enterprises record a healthy growth as they attempt to improve productivity, adopt best practices and bring innovative products to market. Again Indian SMBs are undergoing rapid transformation and are looking for greater flexibility to meet market changes. The need to grow revenues and reach their full potential in the shortest possible time span is going to increase their dependence on technology and managed by automation in production.

#### OPERATIONS OVERVIEW:

During the year under review, your Company had earned Rs.48.32 lakh and resulting net profit of Rs.19.92 lakh as compared with the previous year as Rs.46.46 lakh and Rs.19.09 lakh respectively.

The Company is planning to venture into new business opportunities and diversify its operations, but due to COVID and post pandemic situations, we still experience sluggishness in the investment and hence the Company is facing difficulties to diversify its operations. But the Company is looking for a strong future ahead and targeting the growth in the coming years. Accordingly the financial position would also improve considerably.

#### THREATS, RISKS & CONCERNS

##### Competition

As the industry is poised for considerable growth, a lot of Companies are entering this arena and the cost efficient competitors are increasing. Also in the global scenario, there is a huge advent of companies in similar kind of businesses in China, Korea, Philippines, Malaysia and Singapore. These Countries also have a huge cost advantage like India. Over and above that, the Government in such countries is actively supporting the growth of the concerned Industry. The pandemic has also caused a threat for the medium and small sized Industry.

For the past several years, India has achieved healthy economic growth rates. The growth has been contributed

by robust service sector performance as well as strong manufacturing output. India is being viewed as a key market among the emerging economies. This could affect our growth and profitability.

**INTERNAL CONTROL SYSTEMS:**

The Company has an adequate systems and internal controls to safeguard the assets of the company; and to ensure maintenance of proper accounting records. Audit Committee periodically reviews the functioning of the entire system.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company makes efforts to ensure that employees are provided with a congenial work atmosphere. Facilities are

equipped with state-of-the-art machineries, automation software and communication equipment apart from periodic recreational facilities to motivate the team. Continuously improving the quality of people through training in skill development as well as personality development. Management places great emphasis on continuously improving the work environment and ambience to nurture innovation and creativity.

**For SOUTHERN LATEX LIMITED****N. Neelakanda Pillai****Managing Director**

Place: Chennai

Date: 18-05-22