

SOUTHERN LATEX LIMITED

**34th ANNUAL REPORT
2022-2023**

Boards of Directors

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

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

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

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 : cameo@cameoindia.com
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, 2023.

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	2022-23	2021-22
Total Income	53,90,220	48,32,220
Less : Expenses	23,36,182	21,91,320
EBITDA	30,54,038	26,40,900
Less: Depreciation	1,42,587	1,73,738
Profit after depreciation but before tax(PBT)	29,11,452	24,67,162
Less: Taxes	5,60,454	4,74,929
Net profit/(Loss)for the period	23,50,997	19,92,233
No. of Shares	73,59,200	73,59,200
EPS	0.36	0.27
Proposed Dividend	-	-
Dividend Tax	-	-
Balance of Profit Carried to B/S	23,50,997	19,92,233

OPERATIONS AND STATE OF COMPANY AFFAIRS

The year to which this report relates is to the thirty fourth 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. 53.90 lakh and resulting net profit of Rs. 23.51 lakh as compared with the previous year as Rs. 48.32 lakh and Rs. 19.92 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, 2023.

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 2022-23 (in Rs.)	% increase of remuneration in 2023 as compared to 2022 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	NIL

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 2023 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. In terms of Section 139(2) of the Act and Rule 6 of the Companies (Audit & Auditors) Rules, 2014, their term will expire in the ensuing AGM. The Board of Directors after considering the recommendations of the Audit Committee will recommend appointment of a Statutory Auditor for approval by the members of the Company in the ensuing AGM.

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. As their term will expire, the board would also appoint a Secretarial Auditor in due course.

AUDIT REPORTS

- The Auditors' Report for the Financial Year 2022-23

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 2022-23 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, 2022	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, 2023, the Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

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

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 2022-23 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: 18th May, 2022, 18th July, 2022, 22nd August 2022, 9th November, 2022, and 25th January, 2023.

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

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: 18th May, 2022, 18th July, 2022, 9th November, 2022, and 25th January, 2023.

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 lay 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 2022-23, one meeting was held in 9th November, 2022.

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 eight meetings were held, 6th May, 2022, 30th June, 2022, 1st August, 2022, 11th November, 2022, 18th November, 2022, 9th December, 2022, 23rd December, 2022, 30th March 2023.

Sl. No.	Name(s) of Director (s)	Designation	Meeting Attended
1	Mr. Muralikrishnan	Chairman	8
2	Mr. V.K. Balaji	Member	8
3	Mr. Neelakanda Pillai	Member	8
4	Ms. Santhi	Member	8

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, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- for the financial year ended March 31, 2023, 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, 2023;

- 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 2022-23.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant transactions with Related Parties during the financial year 2022-23 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, 2023.

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

Sd/-
N. Neelakanda Pillai
Managing Director

Sd/-
Murali Krishnan
Director

Place: Chennai
Date: 25-05-23