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Annual Report 2007 - 2008

Southern Latex Limited
2007-2008

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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In view of the recommendation of a Working Group on the Companies Act, 1956 to debar the Companies from giving gifts to the Shareholders, it has been decided not to distribute Gift at the Annual General Meeting of the Company. This is for your kind information

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Saturday the 30th September 2008 at 12.00 Noon at the Registered Office of the Company at B-11/W SIPCOT Industrial Complex, Gummidipoondi – 601201 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet of the company as at 31st March 2008 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 a Director in place of Mr B.Thirumoolam i who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors of the Company and to fix their remuneration.

Place : Gummidipoondi

By order of the Board

Date : 30th September 2008

A.P.VETRIVEL
Director

NOTES

1. A member entitled to attend and 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 hours before the time holding the aforesaid meeting.
2. The Register of Members and share Transfer Books of the Company shall remain closed from Monday 25th September 2008 to 30th September 2008 both days inclusive.
- 3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members are requested to intimate change in their address, if any, to the company at its Registered office quoting their folio numbers
5. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

Place : Gummidipoondi

By order of the Board

Date : 30th September 2008

A.P.VETRIVEL
Director

DIRECTORS REPORT

Your Directors present the Seventeenth Annual Report with the accounts for the year ended 31st March 2008

CORPORATE RESULTS

The Financial Result of the company for the year ended 31st March 2006 are summarized below:

	31.03.2008 (Rs in Lakhs)	31.03.2007 (Rs in Lakhs)
Profit/(Loss) before Depreciation	(8.44)	(25.48)
Depreciation	(15.08)	(16.81)
Loss after Depreciation	(6.63)	(42.29)
Loss Brought Forward		
(Including prior period adjustments)	(651.87)	(722.62)
Loss carried to Balance Sheet	(466.51)	(651.87)

OPERATION

The gross turnover during the period under review was Rs.103.26 lakhs consisting of Rs.103.25 lakhs towards sale of products and Rs.0.01 lakhs towards other income.

DIVIDEND

Your Directors do not recommend any dividend for the year.

DEPOSITS

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

Reference to BIFR

The company has become a sick Industrial unit within the meaning of clause (o) of subsection (I) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has filed an application before Board of Industrial and Financial Reconstruction (BIFR) under Reference No. 130/2005 seeking relief measures. The Company is awaiting a scheme of Rehabilitation from BIFR

DIRECTORS

Mr.B.Thirumoolam retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement the company is complying with SEBI Guidelines on Corporate Governance. A separate section on corporate Governance forms part of Annual Report.

AUDITORS

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

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

There are no employees falling within the purview of sec217 (2A) of companies Act 1956 your Directors confirm:

1. that in preparation of the Annual Accounts, the applicable accounting standards have been duly followed 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 frauds 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 requiring 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 Fees Paid up to
1	The Stock Exchange – Mumbai	Paid up to date
2	Madras Stock Exchange Ltd, - Chennai	Paid up to date
3	Coimbatore Stock Exchange	2001-2002

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.

Place : Gummdipoondi
Date : 30th September 2008

By order of the Board.

A.P.VETRIVEL
Director

STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE:**MANDATORY REPRTS ON CORPORATE GOVERNANCE:****Company's Philosophy on Corporate Governance:**

Company's philosophy of corporate governance is to advocate the theory of Transparency as well as pooling in and converging talents in different functional areas in a coordinated way so as to increase the profitability of the company.

Board of Directors:

The Board of Directors is comprised of one Executive Director and Two Non- Executive Directors who are Independent Directors.

Mr. A.P. Vetrivel is a Non – Executive Director.
Mr. N.Neelakanda Pillai is an Executive Director
Mr. B. Thirumoolam is a Non – Executive Director.

Board Meetings:

The details of the Board Meeting held were as follows:
30.04.2007, 29.07.2007, 20.10.2007 and 10.01.2008

Attendance of each Director at the Board Meeting and Last AGM:

Name of the Director	No of Board Meetings Attended	Attendance at the last AGM
Mr. A.P. Vetrivel	Four	Yes
Mr. N.Neelakanda Pillai	Four	Yes
Mr. B. Thirumoolam	Four	Yes

None of the Director is member in more than 10 committees or acting as Chairman of more than Five committees.

AUDIT COMMITTEE MEETING

A qualified and independent audit committee comprising of Mr.B.Thirumoolam, Mr.N.Neelakanda Pillai and Mr.A.P.Vetrivel has been constituted with Mr.A.P.Vetrivel being the Chairman of the Committee. The audit committee reviews the financial reporting system, disclosure requirements, appointment and remuneration of statutory auditors, financial accounts, adherence to accounting standards, internal control and internal audit and financial and risk management policies of the Company.

SHAREHOLDERS GRIEVANCES COMMITTEE:-

The Share Transfer cum investor Grievances committee was constituted under the Chairmanship of Mr.B.Thirumoolam non- executive Director and other members of the committee are Mr. A.P. Vetrivel and Mr.Neelakanda Pillai. Apart from looking into redressal of investors grievances the committee deals with various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approval of split and consolidation requests, other matters. The Company has not received any complaints from the Share holders.

REMUNERATION COMMITTEE:-

There exists a qualified and independent Remuneration committee comprised of Mr.A.P.Vetrivel, Mr. N.Neelakanda Pillai and Mr.B.Thirumoolm who is the chairman of the Committee.

The Committee oversees, interalia, the financial reporting system, disclosure requirements and matters relating to appointment and remuneration of executive and non-executive directors.

The committee met 3 times during the year.

GENERAL BODY MEETING HELD IN THE LAST THREE FINANCIAL YEARS:-

General Body Meetings	Date	Venue	Time	Special Resolutions
AGM	30.9.2007	B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Thiruvalluvar District -601 201.	12:00 NOON	Nil
AGM	27.9.2006	-do-	11:00AM	Nil
AGM	26.9.2005	-do	11:00AM	Nil

DISCLOSURE:-

There are no materially significant transactions made by the Company with its promoters, the Directors or the management, their subsidiaries or relatives etc., which require separate disclosure.

No penalties / Strictures have been imposed on the Company by any regulatory authority for non – compliance of the law.

GENERAL SHAREHOLDERS INFORMATION:

The Seventeenth AGM of the Company will be held on 30th September 2008 at 12:00 AM at its Registered Office at B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Thiruvalluvar District – 601 201. The Company's financial calendar is for a period of 12 months starting from April 1st to 31st March of the succeeding year. The period covered under this annual report is from 1st April 2007 to 31st March 2008

Date of Book closure: 25.9.2008 to 30.9.2008 both days Inclusive.

The Shares are listed and traded on the following Stock Exchanges:-

The Stock Exchange, Mumbai
The Madras Stock Exchange, Chennai
The Coimbatore Stock Exchange, Coimbatore.

Stock code: Not Applicable (All shares are in the Physical Form only)

Stock Market Data: The High and Low Prices of shares during the year.
There were no Trading of Shares last year.

Registrars & Share Transfer Agents: The Company is maintaining In House Share Transfer Facility.

Share Transfer System:

The Share Transfer are processed within 15 days from the date of receipt, subject to the documents being clear in all respects.

Share Holding :

Particulars	Category shares	%
Public	2002900	45.95
Private Corporate Bodies	109800	2.52
Promoters	1542300	35.38
Mutual funds	166300	3.81
FII	120800	2.77
NRI /OCBs	417100	9.57
Total	4359200	100

Distribution Schedule as on 31.3.2008

No of Equity Shares held	No of Shareholders	%	No of Shares	%
Up to 5000	6481	92.6300	10420000	23.9000
5001 - 10000	276	3.9400	2365000	5.4300
10001-20000	114	1.6300	1714000	3.9300
20001-30000	31	0.4400	774000	1.7800

30001-40000	18	0.2600	667000	1.5300
40001-50000	13	0.1900	622000	1.4300
50001-100000	21	0.3000	1660000	3.8100
Above 100000	43	0.6100	25370000	58.2000
Total	6997	100.000	4359200	100.000

All shares are in Physical mode only.

Address for Correspondence:

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

For and On behalf of the Board

Sd/-

A.P.VETRIVEL

N,NEELAKANDA PILLAI

Director

Director

Place: Gummidipoondi

Date: 30th September 2008

Auditors Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement :

We have reviewed the report on the compliance of the mandatory conditions of corporate governance set out by M/s.Southern Latex Ltd for the year ended 31st March 2008 with relevant records and documents maintained by the company and furnished to us for our review.

In our opinion and to the best of our information and according to the explanations given to us, the company has complied with the mandatory requirements specified in the said Clause in the manner so required.

For O.S. Hariharan & Company
Chartered Accountant

O.S.HARIHARAN
PARTNER

Place: Chennai

Date: 30th September 2008

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 2008 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 2008 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 31.03.2008, from being appointed as Director in terms of clause (g) of Sub section (I) of section 274 of the Companies Act 1956.

For O.S.Hariharan & Company
Chartered Accountants
O.S.Hariharan
Proprietor

Place : Gummidipoondi
Date : 30.09.2008

**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.
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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 disposal of the scraps. We are informed that the Company has no by-product.
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
Proprietor

Place : Gummidipoondi
Date : 30.09.2008

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, improvements and installation.

DEPRECIATION

Depreciation on fixed assets other than land is provided on "Straight Line Method" at the rates which are in conformity with requirements of Schedule XIV to the companies Act, 1956.

INVENTORIES

Inventories are valued on the following basis.

- a) Raw Materials 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 provisions of the Income Act, 1961.

SYSTEM OF ACCOUNTING

The Company adopts the accrued concept in the preparation of 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 LIABILITY

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 the previous year.

M/s Southern Latex Limited

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Balance Sheet for the year ended 31st March 2008

	SCH		31.03.2008		31.03.2007
SOURCE OF FUNDS					
1. SHARE HOLDERS' FUND					
a) Share Capital	1	43,592,000		43,592,000	
b) Reserves & Surplus	2	8,036,500	51,628,500	8,036,500	51,628,500
2. LOAN FUNDS					
a) Secured Loan	3	379,883		27,980,417	
b) Unsecured Loan	4	10,566,250	10,946,133	346,206	28,326,623
			62,574,633		79,955,123
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	5	44,124,753		44,124,753	
Less: Depreciation		23,676,676		22,169,051	
			20,448,077		21,955,702
Investment:			1,000,700		1,000,700
Current Assets, Loans and Advances:					
Inventories	6	72,955		162,115	
Sundry Debtors	7	345,931		3,483,216	
Loans & advances	8	1,098,063		1,627,109	
Cash & Bank balances	9	22,848		136,955	
		1,539,797		5,409,395	
Less: Current Liabilities and Provisions	10	8,252,620		14,909,033	
Miscellaneous Expenditure					
[to that extent not written off or adjusted]	11		(6,712,823)		(9,499,638)
			1,187,938		1,311,093
Profit and Loss Account					
	12		46,650,741		65,187,266
			62,574,633		79,955,123
Significant Accounting Policies	18				
Notes to the Accounts	19				
Balance Sheet Abstract and General	20				
Cash flow statement	21				

Schedule 1 to 21 annexed hereto form part of the Balance Sheet and Profit & Loss account as per our Report attached

For O.S. Hariharan & Company
Chartered Accountants
O.S. HARIHARAN
Partner

N. Neelakandapillai
Director

Place: Chennai
Date : 30.09.2008

M/s Southern Latex Limited**19th Annual Report****Profit and loss account for the year ended 31st March 2008**

Particulars	SCH	31.03.2008	31.03.2007
INCOME			
Sales	12	10,325,125	282,394
Other Income		1,250	136,254
		10,326,375	418,648
EXPENDITURE			
Purchases	13	6,341,786	288,266
Increase/ Decrease in stocks	14	-	32,200
Manufacturing Expenses	15	2,253,540	40,766
Administrative & Selling Expenses	16	752,866	825,895
Financial charges	17	10,877	1,656,242
Depreciation		1,507,625	1,680,774
Preliminary expenses Written off		123,155	123,155
		10,989,849	4,647,297
Loss for the year		(663,474)	(4,228,649)
Less: Extraordinary item		19,200,000	-
Prior period adjustments		-	11,303,053
Loss brought from Pre. Year		(65,187,267)	(72,261,671)
Loss transferred to B/sheet		(46,650,741)	(65,187,267)

For O.S. Hariharan & Company
Chartered Accountants
O.S. HARIHARAN
Partner

N. Neelakandapillai
Director

Place: Chennai
Date : 30.09.2008

M/s Southern Latex Limited**19th Annual Report**

Schedule to and forming part of Balance Sheet and Profit and Loss Account

Particulars	31.03.2008	31.03.2007
Schedule:1 SHARE CAPITAL		
Authorised Share Capital (50,00,000 Equity Share of Rs.10/- each)	50,000,000	50,000,000
Issued, Subscribed and paidup Capital 4359200 Equity Shares of Rs.10/- each fully paid	43,592,000	43,592,000
	43,592,000	43,592,000
Schedule:2 RESERVES & SURPLUS		
Capital Subsidy as per last Balance sheet	2,036,500	2,036,500
General Reserve	6,000,000	6,000,000
	8,036,500	8,036,500
Schedule:3 SECURED LOANS		
Term loans /Working Capital Loans		
State Bank of India	-	12,007,571
State Bank of Hyderabad	-	6,143,029
Interest free sales Tax loan	379,883	379,883
Others loans	-	9,449,934
	379,883	27,980,417
Schedule:4 UNSECURED LOANS		
From Associates	335,820	346,206
Loan from Directors	10,230,430	
	10,566,250	346,206
Schedule:6 INVENTORIES (As Certified by the Management)		
Raw Material at cost	72,955	162,115
Finished goods at lower of cost and net realisable value	-	-
	72,955	162,115
Schedule:7 SUNDRY DEBTORS (Unsecured considered good)		
Debts O/s for a period exceeds 6 months	95,411	3,027,865
Less: Provision for Doubtful debts	-	-
	95,411	3,027,865
Debts O/s for a period less than 6 months considered good	250,520	455,351
	345,931	3,483,216

Particulars	31.03.2008	31.03.2007
Schedule:9 CASH & BANK BALANCES		
Cash on hand	15,262	13,896
Balance with Schedule banks	7,586	123,059
	22,848	136,955
Schedule:8 LOANS AND ADVANCES (Unsecured Considered Good)		
Recoverable in cash or in kind or for value to be received	1,098,063	1,627,109
	1,098,063	1,627,109
Schedule:10 CURRENT LIABILITIES		
Sundry Creditors-For Trade & Expenses	8,252,620	14,909,033
	8,252,620	14,909,033
Schedule:11 MISCELLANEOUS EXPENDITURE (to that extent not written off or adjusted)		
Preliminary & Preoperative Expenses	1,187,938	1,311,093
	1,187,938	1,311,093
Schedule:12 SALE OF PRODUCTS & OTHERS		
Sale of Coir	10,325,125	282,394
Other Income	1,250	136,254
	10,326,375	418,648
Schedule:13 Raw Material consumed		
Opening Stock	162,115	360,250
Add: Purchases	6,252,625	90,131
	6,414,740	450,381
Less: Closing Stock	72,955	162,115
Material consumed	6,341,786	288,266

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Particulars	31.03.2008	31.03.2007
Schedule:14 Increased/Decreased in stock		
Op.Stock in w-in-p and Finished Goods	-	32,200
Less: Cl.Stock in w-in-p and Finished Goods	-	-
	-	32,200
	72,955	162,115
Schedule:15 Manufacturing Expenses		
Consumables		1,540
Wages	815,076	24,055
Power & Fuel	1,345,012	9,293
Transportation charges	75,200	2,119
Repairs & Maintenance	18,252	3,759
	2,253,540	40,766
Schedule:16 ADMINISTRATION & SELLING EXPENSES		
Salaries	105,265	339,210
Rent	90,000	90,000
Travelling and Conve.	52,620	40,734
Postage, Telegrams & phone	11,171	17,186
Vehicle maint	30,429	41,970
Printing & stationery	25,262	7,515
Insurance	-	-
Staff welfare	25,625	8,307
Professional charges	10,000	4,100
Rates & Taxes	5,250	3,601
Busin. Promotion	25,000	1,521
Advertisement	29,500	-
Office maintenance	20,160	33,530
Audit fee	20,000	10,000
Security charges	60,000	60,000
Packing materials	77,561	2,231
Transportation o/w	18,960	22,307
Discount & Comm.	2,500	750
Directors' charges	120,000	120,000
General expenses	23,564	22,933
Loss on Fire of stock	-	-
	752,866	825,895
Schedule:17 FINANCE CHARGES		
Bank charges	10,877	805
Interest to Bankers	-	1,059,957
Interest to others	-	595,480
	10,877	1,656,242

M/s Southern Latex Limited: 2007-08					19th Annual Report				
Schedule-6 Fixed Assets:									
		Gross Block			Depreciation			Net Block	
Sl.No.	Particulars	31.03.2007	Additions	31.03.2008	31.03.2007	Additions	31.03.2008	31.03.2008	31.03.2007
01.	Lease Hold Land	306,000	-	306,000	-	-	-	306,000	306,000
02.	Free Hold land	5,085,123	-	5,085,123	-	-	-	5,085,123	5,085,123
03.	Factory Building	10,716,483	-	10,716,483	4,551,912	308,228	4,860,140	5,856,343	6,164,571
04.	Plant & Machinery	24,276,836	-	24,276,836	14,671,828	1,121,762	15,793,590	8,483,246	9,605,008
05.	Electrical Installation	1,436,851	-	1,436,851	1,433,411	688	1,434,099	2,752	3,440
06.	Office Equipment	86,320	-	86,320	42,646	2,184	44,830	41,490	43,674
07.	Vehicle	151,626	-	151,626	151,626	0	151,626	0	0
08.	Furniture & fitting	732,535	-	732,535	511,122	22,142	533,263	199,272	221,413
09.	Generator	1,297,506	-	1,297,506	771,854	52,565	824,419	473,087	525,653
10.	Cycles	2,013	-	2,013	1,193	57	1,250	763	820
11.	Computers	33,460	-	33,460	33,460	0	33,460	0	0
		44,124,753	-	44,124,753	22,169,050	1,507,625	23,676,676	20,448,077	21,955,703

SCHEDULE: 19 NOTES TO THE ACCOUNTS

1. The estimated amount of contracts remaining to be executed on capital account and not provided for 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 Lakhs
 - ii.) Synergy Financial Services Private Limited – Rs. 102 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 more 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 Life Insurance Corporation of India for Gratuity Payments.
 - II) Provident Fund: The Company is making efforts 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. Remuneration of Rs.1,20,000 has been provided to Directors.
 8. Preliminary Expenses have been amortized as per the provisions of section 35 D of the Income Tax Act, 1961.
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9. Provision and/ or payments in respect statutory auditors remuneration.

	Year Ended 31.03.2008	Year ended 31.03.2007
Statutory Audit Fees	0.05	0.05
Tax Audit Fee & Taxation Matters	0.05	0.05
	0.10	0.10

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

11. Details of licenced and installed capacities

	2007-2008	2006-2007
A) Licensed Capacity:		
I. Rubberised Coir Plant	N.A.	N.A.
II. Creaming Plant	N.A.	N.A.
III. Coir Plant	N.A.	N.A.

B) Installed Capacity :		
I. Rubberised Coir Plant	1800000 nos. p.a.	180000 nos. p.a.
II. Creaming Plant	720 tonnes p.a.	720 tonnes p.a.
III. Coir Plant	2600 tonnes p.a.	2600 tonnes p.a.

Certified by the Management and accepted by the Auditors, being a Technical Matter.

- 12 Particulars of Production and Sales

a) Production	2007-2008	2006-2007
	Qty	Qty
I. Rubberised Coil Mattresses and other related items(Nos.)	Nil	
ii. Rubberised Bare Blocks(Nos.)	Nil	
iii.Creamed Latex (Tons)	Nil	
iv. Coir / Fibre (Tonnes)	Nil	

b) Sales	2007-2008	2006-2007
	Qty	Qty
I. Rubberised Coil Mattresses and other related items(Nos.)	Nil	
ii. Rubberised Bare Blocks(Nos.)	Nil	
iii. Creamed Latex (Tonnes)	Nil	
iv. Coir / Fibre (Tonnes)	Nil	
13 Opening and Closing Stock of goods produced	2007-2008	2006-2007
I. Rubberised Coil Mattresses and other related items(Nos.)	Nil	
ii. Rubberised Bare Blocks(Nos.)	Nil	
iii. Creamed Latex (Tonnes)	Nil	
iv. Coir / Fibre (Tonnes)	Nil	

14 Details of Raw Materials Consumed:

	2007-2008		2006-2007	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
LATEX				
Opening Stock	Nil			
Add: Purchase	Nil			
Less: Closing Stock	Nil			
Consumption	Nil			
	2007-2008		2006-2007	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
COIR				
Opening Stock	Nil			
Add: Purchase	Nil			
Less: Closing Stock	Nil			
Consumption	Nil			

	2007-2008		2006-07	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
CLOTH				
Opening Stock	Nil			
Add: Purchase	Nil			
Less: Closing Stock	Nil			
Consumption	Nil			
FOAM				
Opening Stock	Nil			
Add: Purchase	Nil			
Less: Closing Stock	Nil			
Consumption	Nil			
	2007-2008		2006-2007	
	Kgs.		Kgs.	
CHEMICALS				
Opening Stock	Nil			
Add: Purchase	Nil			
Less: Closing Stock	Nil			
Consumption	Nil			

Previous years figures have been regrouped and rearranged wherever necessary

Place Gummidipoondi

Date 01.09.2006.

AUDITOR'S CERTIFICATE

The above cash flow statement has been compiled from and is based on the audited accounts of Southern Latex Limited for the year ended March 31, 2008 reported upon by us on. According to the information and explanation given, the aforesaid cash flow statement has been prepared pursuant to clause 32 of the listing agreement as required by the Stock Exchange

Place: Gummidipoondi

Date: 30.09.2008

For O.S.Hariharan & Company
Chartered Accountants

O.S.Hariharan
Partner

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**SCHEDULE -21: BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER SCHEDULE VI, OF PART IV OF THE COMPANIES ACT, 1956**

1.	Registration Details	Registration number	State Code
		17137	18
	Balance Sheet Date:	31.03.2008	
2.	Capital Raised during the year (Amount in Rs.Lacs)		
	Public Issue	Nil	Right Issue Nil
	Bonus Issue	Nil	Private Placement Nil
3.	Position of Mobilisation and deployment of Fund (Amount in Rs.Lacs)		
	Total Liabilities	70827253	Total Assets 70827253
	Source of Funds		
	Paid up Capital	43592000	Reserves & Surplus 8036500
	Secured Loans	379883	Unsecured Loans 10566250
	Application of Funds		
	Net Fixed Assets	20448077	Investments 1000700
	Net Current Assets	-6712823	Miscellaneous Expenditure 1187938
	Accumulated Losses	46650740	

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4. Position of Mobilisation and deployment of Fund (Amount in Rs.Lacs)

Turnover	Total Expenditure
10325125	10989848
Profit & Loss before Tax	Profit & Loss after Tax
-663473	-663473
Earning per Share	Dividend Rate
NIL	NIL

5. Generic Names of Three Principal Products / Services of Company

Item Code Number (ITC CODE)	940409.00
Product / Service Description	MATTRESSES
Item Code Number (ITC CODE)	400110.01
Product / Service Description	CREAM LATEX
Item-Code Number (ITC CODE)	530511.03
Product / Service Description	CURED COIR

Signature of Schedules 1 to 21 forming par of Balance Sheet and Profit and Loss Account.

Place : Gummidipoondi

Date : 30.09.2008

For O.S.HARIHARAN & Company
Chartered AccountantsO.S.HARIHARAN
PartnerA.P.VETRIVEL
DirectorN.NEELAKANDAPILLAI
Director

Auditors Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement :

We have reviewed the report on the compliance of the mandatory conditions of corporate governance set out by M/s.Southern Latex Ltd for the year ended 31st March 2008 with relevant records and documents maintained by the company and furnished to us for our review.

In our opinion and to the best of our information and according to the explanations given to us, the company has complied with the mandatory requirements specified in the said Clause in the manner so required.

For O.S.Hariharan & Company
Chartered Accountants

O.S.Hariharan
Partner

Place: Chennai
Date : 30.09.2008

Southern Latex Limited

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

PROXY FORM

I We of being member(s) Southern Latex Limited hereby appoint of or failing him/her of as my / our proxy and to vote for me / us on my / our behalf Annual General Meeting of the Company to be held on Wednesday, the 30th September 2008 at 12.00 NOON at the Registered Office of the Company at B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Tiruvallur District – 601 201 and at any adjournment thereof.

Signed this day of 2008

Address Signature

Membership Folio No.

No. of share held

100 paise
Revenue
Stamp

- Note :
1. The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
 2. Proxy need to be a member.

Southern Latex Limited

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

ATTENDANCE SLIP

I hereby record my presence at the 19th Annual Meeting of the Company being held at the B-11/W, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District – 601201 on the Wednesday 30th September 2008 at 12.00 NOON.

Full Name of the member attending

Signature

Folio No.

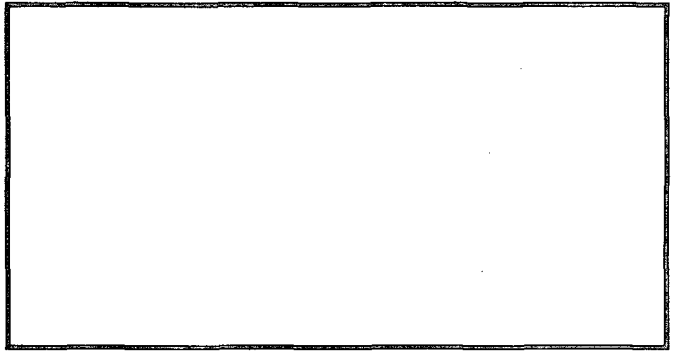
Full Name of the Proxy attending

Signature

Note: Member / Proxy attending the meeting in person / by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting all.

Book - Post

To



If underlivered please return to
SOUTHERN LATEX LIMITED
B-11/W, SIPCOT Industrial Complex,
Gummidipoondi, Tiruvallur District - 601 201