

Southern Latex Limited
2009-2010

Board of Directors

Mr.N. NEELAGANDA PILLAI

Mr. A.P . VETRIVEL

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

UnionBank of India

Listing of Shares with

Madras Stock Exchange (Regional)

Mumbai Stock Exchange

Coimbatore Stock Exchange (Regional)

CONTENTS

		Number
Notice	--	3
Director's Report	--	4
Corporate Governance	--	7
Auditor's Report	--	11
Balance Sheet	--	14
Profit and Loss Account	--	15
Schedules	--	25
Cash Flow Statement	--	27

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 21st Annual General Meeting of the Company will be held on Thursday the 30th September 2010 at 12.00 at the Registered Office of the Company at B-11/W SIPCOT Industrial Complex, Gummidipoondi, 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 2010, 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 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

Date : 30th September 2010.

By order of the Board

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 Register of Members and Share Transfer Books of the Company shall remain closed from Friday 24th September 2009 to 30th September 2009 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

Date : 30th September 2010

By order of the Board

N.NEELAGANDA PILLAI.

Director.

DIRECTORS REPORT

Your Directors present the 21st Annual Report with the accounts for the year ended 31st March 2010

CORPORATE RESULTS

The Financial Results of the company for the year ended 31st March 2010 are summarized below:

		30.03.2010 (Rs. in Lakhs)	30.03.2009 (Rs. in Lakhs)
Loss before Depreciation	-	26.98	21.67
Depreciation	-	12.16	13.53
Loss after Depreciation	-	14.83	7.94
Loss Brought Forward	-	(458.87)	(466.51)
Loss carried to Balance Sheet	-	(44375)	(458.57)

OPERATION

The Domestic sales during the year under review Rs.195.02 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.

REFERENCE TO BIFR

The Company has become a Sick Industrial Unit within the meaning of clause (o) of subsection (1) 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. BIFR has sanctioned the Rehabilitation scheme on 26.11.2009.

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 Annual General Meeting and are eligible for reappointment. Your Directors recommended their reappointments.

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 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 polices 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	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 continued support received from the share Holders, Bank, Government Authorities, Employees and all the other concerned.

Place : Gummidipoondi
Date : 30/09/2010

By order of the Board

N.NEELAGANDA PILLAI

Director

STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE:
MANDATORY REPORTS 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 Directors 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:

30.04.2009, 31.07.09, 30.10.09 and 30.01.2010.

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

Name of the Director	No. of the Board Meeting 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. 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, appointments 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 com investor Grievances Committee was constituted under the Chairmanship of Mr. B. Thirumoolam , non-executive Director and other members the committee are Mr. B. Thirumoolam and Mr. N. Neelakandan 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, appraisal of split and consideration request. Other matters. The Company has not received my complaints from the share holder.

REMUNIRATION COMMITTEE:

There exists a qualified and independent Remuneration committee comprised of Mr. A. P. Vetrivel, Mr. N. Neelakanda Pillai and Mr. B. Thirumoolam 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 YEAR:

General Body Meeting	Date	Venue	Time	Special Resolutions
AGM	30.09.2009	B-11/w, Sipcot Indsutrial Complex, Gummidipoondi, Thiruvalluvar District-601 201	12.00 Noon	NIL
AGM	30-09-2008	--- do ----	12.00 Noon	NIL
AGM	30.09.2007	---do -----	12.00 Noon	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/strietures have been imposed on the Company by any regulatory authority for Non-compliance of the law.

GENERAL SHAREHOLDERS INFORMATIONS:

The 21st Annual General Meeting of the Company will be held on 30th September 2010 at 12.00 Noon at its Registered Office at B-11/w, Sipcot Industrial Complex, Gummidipoondi, Thiruvallavur District 601 201. The Company's Financial Calender is for a period of 12 Months starting from April 1st to 31st March of the succeeding year. The period covered under the annual report is from April 2009 to 31st March 2010.

Date of Book Closure: 24.09.2010 to 30.09.2010 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.

Stok code: not applicable(All Shares are in the Physical form Only)

STOCK MARKET DATE: The High and Low Prices of shares during the year.
There were no Trading of Shares last year.

Registrar & Share Transfer Agents: M/s. CAMEO Corporate Services Ltd.,
1, Club House Road, Chennai – 2.

Share Transfer Systems:

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

SHARE HOLDING:

PARTICULARS	CATEGARY SHARES	%
Public	2001400	37.35
Corporate Bodies	1077900	20.11
Promotors	1575700	29.40
Mutual Funds	166300	3.10
FH	128800	2.25
NRI/OCBs	417100	7.78
TOTAL	5359200	100

Distribution Schduled as on 31.03.2010.

No. of Equity Share held	No. of Shareholders	%	No. of Shares	%
Up to 5000	6439	92.5143	10366000	19.3424
5001 - 10000	276	3.9655	2365000	4.4129
10001 - 20000	116	1.6666	1743000	3.2523
20001 - 30000	32	0.4597	798000	1.4890
30001 - 40000	18	0.2586	667000	1.2445
40001 - 50000	13	0.1867	622000	1.1606
500001-100000	21	0.3017	1660000	3.0974
Above 100000	45	0.6465	35371000	66.0005
TOTAL	6960	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.

N. Nelakanda Pillai
Director.

Place: Gummidipoondi
Date: 30th September 2010.

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

We have received 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 20p10 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 2010.

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 2010 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 2010 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 31.03.2010, 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
Partner

Place : Gummidipoondi

Date : 30th September 2010

**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 contact 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.
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 : 30-09-2010

SOUTHERN LATEX LIMITED					
BALANCE SHEET FOR THE YEAR ENDING 31ST March 2010					
Balance Sheet as at 31.03.2012.		(in Rs. P.)		(in Rs. P.)	
Particulars	Sch.No	As at 31.03.2010		As at 31.03.2009	
SOURCE OF FUNDS					
1. SHARE HOLDERS' FUND					
a.Share Capital	1	53,592,000		43,592,000	
b.Reserves & Surplus	2	8,036,500		8,036,500	
			61,628,500		51,628,500
2. LOAN FUNDS					
a.Secured Loan	3	379,883		379,883	
b.Unsecured Loan	4	3,020,768	3,400,651	11,259,417	11,639,300
Grand Total			65,029,151		63,267,800
APPLICATION OF FUNDS					
Fixed Assets :					
Gross Block	5	44,124,753		44,124,753	
Less : Depreciation		26,246,351		25,030,159	
			17,878,402		19,094,594
INVESTMENT :					
Current Assets, Loans and Advances :					
Inventories	6	195,000		105,750	
Sundry Debtors	7	778,128		481,011	
Loans & Advances	8	1,371,505		750,215	
Cash & Bank balances	9	124,900		16,667	
		2,469,533		1,353,643	
Less : Current Liabilities and Provisions	10	1,635,650		5,103,000	
			833,883		(3,749,357)
Miscellaneous Expenditure	11				
[to that extent not written off or adjusted]			941,628		1,064,783
Profit and Loss Account	12		44,374,537		43,857,080
Grand Total			65,029,150		61,267,800
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

A.P.Vetrivel
Director

N.Neelakandapillai
Director

Proprietor

Place : Gummidipoondi
Date : 30.09.2010

SOUTHERN LATEX LIMITED

Profit and loss account for the year ending 31st March 2010

(in Rs. P.)

(in Rs. P.)

Particulars	Sch.No	31.03.2010	As at 31.03.2009
INCOME			
Sales	12	19,502,277	15,863,050
		19,502,277	15,863,050
EXPENDITURE			
Purchases	13	11,807,139	9,623,455
Increase / Decrease in stocks	14	-	-
Manufacturing Expenses	15	3,212,310	3,054,090
Administrative & Selling Expenses	16	1,655,716	912,423
Financial Charges	17	5,223	2,783
Depreciation		1,216,192	1,353,483
Preliminary expenses written off		123,155	123,155
		18,019,735	15,069,389
Profit for the year		1,482,542	793,662
Less : Extraordinary item		-	-
Prior period adjustments		-	-
Loss brought from Previous Year		(45,857,080)	(46,650,741)
Loss transferred to B / Sheet		(44,374,537)	(45,857,080)

For O.S.Hariharan & Company
Chartered Accountants

A.P. Vetrivel
Director

O.S.HARIHARAN

Proprietor

N.Neelakanda Pillai
Director

Place : Gummidipoondi

Date : 30.09.2010

SOUTHERN LATEX LIMITED

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

Particulars	31.03.2010	31.03.2009
SCHEDULE - 1 SHARE CAPITAL	Rs.	Rs.
Authorised Share Capital 100,000 equity shares of Rs.10/- each	100,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 5359200 equity shares of Rs.10/- each fully paid	53,592,000	43,592,000
Share Application Money received	53,592,000	43,592,000
SCHEDULE - 2 RESERVES & SURPLUS	Rs.	Rs.
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	Rs.	Rs.
Interest Free Sales Tax Loan	379,883	379,883
	379,883	379,883
SCHEDULE - 4 UNSECURED LOANS	Rs.	Rs.
From Associates	371,500	455,000
Loan from Directors	2,649,268	10,804,417
	3,020,768	11,259,417
SCHEDULE - 6 INVENTORIES	Rs.	Rs.
(As Certified by the Management)		
Raw Material at cost	195,000	105,750
Finished goods at lower of cost and net realisable value		
	195,000	105,750
SCHEDULE - 7 SUNDRY DEBTORS (Unsecured considered good)		
Debts O/s for a period exceeds 6 months	312,641	95,411
LESS : Provision for Doubtful debts		
	312,641	95,411
Debts O/s for a period less than 6 months considered good	465,487	385,600
	778,128	481,011

SOUTHERN LATEX LIMITED

Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 09 CASH & BANK BALANCES		
Cash on hand	18,450	12,350
Balance with Schedule banks	106,450	4,317
	124,900	16,667
SCHEDULE - 08 LOANS AND ADVANCES (Unsecured Considered Good)		
Recoverable in cash or in kind or for value to be received	1,371,505	750,215
	1,371,505	750,215
SCHEDULE - 10 CURRENT LIABILITIES		
Sundry Creditors - For Trade & Expenses	1,503,000	5,103,000
Others	132,650	-
	1,635,650	5,103,000
SCHEDULE - 11 MISCELLANEOUS EXPENDITURE (to that extent not written off or adjusted)		
Preliminary & Preoperative Expenses	941,628	1,064,783
	941,628	1,064,783
SCHEDULE - 12 SALE OF PRODUCTS & OTHERS		
Sale of Coir	19,502,277	15,863,050
Other Income	-	-
	19,502,277	15,863,050
SCHEDULE - 13 RAW MATERIAL CONSUMED		
Opening Stock	105,750	72,955
Add : Purchases	11,896,389	9,656,250
	12,002,139	9,729,205
Less : Closing Stock	195,000	105,750
Material Consumed	11,807,139	9,623,455

<u>SOUTHERN LATEX LIMITED</u>		
Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 14 INCREASED / DECREASED IN STOCK		
Op.Stock in W-in-P and Finished Goods	-	-
LESS : Cl.Stock in W-in-p and Finished Goods	-	-
	-	-
SCHEDULE - 15 MANUFACTURING EXPENSES		
Consumables		
Wages	1,085,250	1,135,320
Power & Fuel	1,936,021	1,798,620
Transportation Charges	153,499	96,540
Repairs & Maintenance	37,540	23,610
	3,212,310	3,054,090
SCHEDULE - 16 ADMINISTRATION & SELLING EXPENSES		
Salaries	402,383	320,953
Rent	133,100	90,000
Travelling and Conveyance	5,390	41,230
Postage, Telegrams & Phones	31,562	19,850
Vehicle Maintenance	35,457	22,300
Printing & Stationery	700	19,850
Staff Welfare	27,730	17,440
Professional Charges	32,060	16,000
Rate & Taxes	28,290	9,540
ROC Expenses	396,477	-
Office Maintenance	41,594	26,160
Audit Fee	26,160	10,000
Security Charges	123,600	60,000
Packing Materials	154,850	95,160
Transportation o/w	35,489	22,320
Directors' Charges	120,000	120,000
General Expenses	60,875	21,620
	1,655,717	912,423
SCHEDULE - 17 FINANCE CHARGES		
Bank Charges	5,223	2,783
	5,223	2,783

SOUTHERN LATEX LIMITED

Schedule - 6 FIXED ASSETS : 2009 - 10

Sl. No	Particulars	Gross Block			Depreciation			Net Block	
		31.03.2009	Additions	31.03.2010	31.03.2009	Additions	31.03.2010	31.03.2010	31.03.2009
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	5,152,956	278,175	5,431,131	5,285,352	5,563,527
04	Plant & Machinery	24,276,836		24,276,836	16,784,342	875,043	17,659,385	6,617,451	7,492,494
05	Electrical Installation	1,436,851	-	1,436,851	1,434,649	440	1,435,089	1,762	2,202
06	Office Equipment	86,320	-	86,320	46,904	1,971	48,875	37,445	39,416
07	Vehicle	151,626	-	151,626	151,626	-	151,626	-	-
08	Furniture & Fitting	732,535	-	732,535	553,191	17,935	571,126	161,409	179,344
09	Generator	1,297,506	-	1,297,506	871,728	42,578	914,306	383,200	425,778
10	Cycles	2,013	-	2,013	1,303	50	1,353	660	710
11	Computers	33,460	-	33,460	33,460	-	33,460	-	-
		44,124,753	-	44,124,753	25,030,159	1,216,192	26,246,351	17,878,402	19,094,594
	Previous Year	44,124,753	-	44,124,753	23,676,676	1,353,483	25,030,159	19,094,594	20,448,077

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 prior period adjustments in terms of interest , extra-ordinary items and no changes in accounting policy as compared to the previous year.

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, Aailed: Rs.Nil)
 - c) Letter of Credit: Rs.Nil (Sanctioned Rs.5 Lacs, Aailed : Rs.Nil)
 - d) Disputed Liability
 - i. Sales Tax Rs.113.00 Lakhs
 - ii. Synergy Financial Services Limited Rs.102.00 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.

9. Provision and/ or payments in respect statutory auditors remuneration.

	Year Ended 31.03.2010	Year ended 31.03.2009
Statutory Audit Fees	0.08	0.08
Tax Audit Fee & Taxation Matters	0.20	0.20
Total	0.28	0.28

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

11. Details of licenced and installed capacities

	2009-2010	2008-2009
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 Tones P.a	720 Tones P.a
iii. Coir Plant	2600 Tones P.a	2600 Tones P.a

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

14 Particulars of Production and Sales

a) Production	2009-2010	2008-2009
	Qty	Qty
I. Rubberised Coil Mattresses and other related items(Nos.)	Nil	Nil
ii. Rubberised Bare Blocks(Nos.)	Nil	Nil
iii. Creamed Latex (Tonnes)	Nil	Nil
iv. Coir / Fibre (Tonnes)	Nil	Nil
b) Sales	2009-2010	2008-2009
	Qty	Qty
I. Rubberised Coil Mattresses and other related items(Nos.)	Nil	Nil
ii. Rubberised Bare Blocks(Nos.)	Nil	Nil
iii. Creamed Latex (Tonnes)	Nil	Nil
iv. Coir / Fibre (Tonnes)	Nil	Nil

15	Opening and Closing Stock of goods produced	2009-2010	2008-2009
	I. Rubberised Coil Mattresses and other related items(Nos.)	NIL	NIL
	ii. Rubberised Bare Blocks(Nos.)	NIL	NIL
	iii. Creamed Latex (Tonnes)	NIL	NIL
	iv. Coir / Fibre (Tonnes)	NIL	NIL

16. Details of Raw Materials Consumed

LATEX	2008-2009		2009-2010	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
Opening Stock	NIL	NIL	NIL	NIL
Add: Purchase	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Less: Closing Stock	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL
COIR	2009-2010		2008-2009	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
Opening Stock	NIL	NIL	NIL	NIL
Add: Purchase	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Less: Closing Stock	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL
CLOTH	2009-2010		2008-2009	
	Metric tons	Rs.in lacs	Metric tons	Rs.in lacs
Opening Stock	NIL	NIL	NIL	NIL
Add: Purchase	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Less: Closing Stock	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL

FOAM				
Opening Stock	NIL	NIL	NIL	NIL
Add: Purchase	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Less: Closing Stock	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL
CHEMICALS	2009-2010		2008-2009	
	Kgs.		Kgs.	
Opening Stock	NIL	NIL	NIL	NIL
Add: Purchase	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Less: Closing Stock	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL

Previous years figures have been regrouped and rearranged wherever necessary.

Place : Gummidipoondi

Date : 30-09-2010

SOUTHERN LATEX LIMITED**Schedule 20**

CASH FLOW STATEMENT FOR THE YEAR ENDED		31.03.2010		31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES :-		Rs.		Rs.
Net profit before tax & extraordinary items		1,482,542		793,662
Adjustment for :				
Depreciation	1216192		1,353,483	
Finance Charges	5223		2,783	
Miscellaneous Expenditure	123155	1,344,570	123,155	1,479,421
Operating profit before working capital charges		2,827,112		2,273,083
Adjustment for :				
Trade and other receivables	-918407		212,768	
Inventories	-89250		(32,795)	
Trade Payables	-3467350	(4,475,007)	(3,149,621)	(2,969,648)
Cash generated from operations		(1,647,895)		(696,565)
Interests paid		5,223		2,783
Cash flow before Extraordinary items Prior Period item Extraordinary item		(1,653,118)		(699,348)
Net cash flow from operation activities		(1,653,118)		(699,348)
B. CASH FLOW FROM INVESTING ACTIVITIES :-				
Purchase of fixed assets				
Purchase of others				
Net cash flow from investing activities				
C. CASH FLOW FROM FINANCING ACTIVITIES :-				
Capital investment		10,000,000		
Longterm borrowings		(8,238,649)		693,167
Bank borrowings		-		-
Net cash flow from financing activities		1,761,351		693,167
Net increase in cash & cash equivalents D = (A + B + C)		108,233		(6,181)
Cash & Cash equivalents as at 1.4		16,667		22,848
Cash & Cash equivalents as at 1.3		124,900		16,667

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 31,2010 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 : 30-09-2010

For O.S.Hariharan & Company
Chartered Accountants

O.S.Hariharan
Partner

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:	31.03.2010	
2.	Capital Raised during the year (Amount in Rs.Lacs)		
		Public Issue	Right Issue
		Nil	Nil
		Bonus Issue	Private Placement
		Nil	Nil
3.	Position of Mobilisation and deployment of Fund (Amount in Rs.Lacs)		
		Total Liabilities	Total Assets
		65029151	65029151
	Source of Funds		
		Paid up Capital	Reserves & Surplus
		53592000	8036500
		Secured Loans	Unsecured Loans
		379883	3020768
	Application of Funds		
		Net Fixed Assets	Investments
		178878402	1000700
		Net Current Assets	Miscellaneous Expenditure
		833883	941628
		Accumulated Losses	
		44374537	

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

Turnover	Total Expenditure
19502277	18019735
Profit & Loss before Tax	Profit & Loss after Tax
1482542	1482542
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 : Gummdipoondi

Date 30-09-2010

For O.S.HARIHARAN & Company
Chartered Accountants

O.S.HARIHARAN
Partner

A.P. Vetrivel
Director

N.Neelakanda Pillai
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 2010 with relevant records and document 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 : 30.09.2010.