

*Annual Report*

*2008-2009*

**Standard**

**STANDARD SURFACTANTS LTD.**

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**STANDARD SURFACTANTS LTD.**

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- BOARD OF DIRECTORS** : Shri PAWAN KUMAR GARG, *Chairman & Managing Director*  
Shri ATUL KUMAR GARG, *M. Com.*  
Shri SATYA PRAKASH TAYAL, *B. Com, LL.B.*  
Shri PURSHOTTAM DAS GARG, *F. C. A.*  
Shri ANKUR GARG, *C. A.*  
Shri SUBHASH CHANDRA CHUGH  
Shri ABHISHEK MEHROTRA
- AUDITORS** : M/S. MITTAL GUPTA & Co.  
*Chartered Accountants*  
KANPUR
- FINANCIAL INSTITUTION** : INDUSTRIAL DEVELOPMENT BANK OF INDIA  
RED CROSS ROAD, NEW DELHI
- BANKERS** : STATE BANK OF INDIA  
KANPUR
- REGISTERED OFFICE** : 8/15, ARYANAGAR  
KANPUR - 208 002 (U.P.)  
PHONES : (0512) 2531762  
FAX : 91-512-2548585  
E-MAIL : headoffice@standardsurfactants.com
- WORKS** : (I) 252, 268 VILLAGE - UMRAN  
POST - AKBARPUR, RANIA  
KANPUR DEHAT (U.P.)  
  
(II) 24-A, 24-B, NEW SECTOR  
INDUSTRIAL AREA, MANDIDEEP  
RAISEN (M.P.)  
  
(III) PLOT NO. 114,  
GONDPUR INDUSTRIAL AREA,  
PAONTA SAHIB, (H.P.)
- REGISTRAR & TRANSFER AGENT** : M/s. SKYLINE FINANCIAL SERVICES PVT. LTD.  
246, 1ST FLOOR, SANT NAGAR, EAST OF KAILASH  
NEW DELHI - 110065

# TWENTIETH ANNUAL REPORT

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## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Standard Surfactants Ltd. will be held on Tuesday, the 29th December, 2009 at the Registered Office of the company at 8/15, Arya Nagar, Kanpur, at 11.30 A.M to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ankur Garg, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Subhash Chandra Chugh, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration. M/s

Mittal Gupta & Company, Chartered Accountants, Kanpur, are the retiring Auditors at this Annual General Meeting and are eligible for reappointment.

By order of the Board  
For STANDARD SURFACTANTS LTD.

Place: Kanpur  
Date : 29.10.2009

PAWAN KUMAR GARG  
*Chairman & Managing Director*

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy and vote instead of himself on a poll and the proxy need not be a member of the Company. Form of proxy is enclosed which should be returned to the Company duly signed, if necessary, not less than 48 hours before the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th December 2009 to Tuesday, 29th December 2009 (both days inclusive).

**DIRECTORS' REPORT****TO THE MEMBERS,**

The Directors present the Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2009.

**FINANCIAL RESULTS**

	<b>Current year ended on 31.03.2009</b>	<i>(Rs. in Lacs)</i> Previous Year ended on 31.03.2008
Gross Sales	<b>8301.21</b>	5760.20
Less : Excise Duty	<b>1714.48</b>	1397.91
Net Sales	<b>6586.73</b>	4362.11
Other Income	<b>81.32</b>	97.26
Profit before Interest and depreciation	<b>313.16</b>	393.31
Interest	<b>126.17</b>	163.29
Depreciation	<b>139.11</b>	134.48
Profit/(Loss) before tax	<b>47.88</b>	95.54
Provision for taxation (FBT)	<b>6.80</b>	4.50
Net Profit/ (Loss)	<b>41.08</b>	91.04
Balance brought forward from previous year	<b>341.94</b>	250.90
Balance available for appropriation	<b>383.02</b>	341.94

**OPERATIONAL REVIEW**

Sales increased to Rs. 8301.21 Lacs from Rs. 5760.02 Lacs in the previous year. However, Profit before tax decreased to Rs.47.88 Lacs during the year from Rs.95.54 Lacs in the previous year due to increased material cost.

Interest expenses for the year decreased 22.73% to Rs. 126.17 Lacs from Rs.163.29 Lacs in the previous year.

Depreciation was at Rs.139.11 Lacs as against Rs. 134.48 Lacs in the previous year.

**FUTURE PROSPECTS**

Company continues to focus on its core businesses. Directors are confident that in the current financial year, due to improvement in productivity on one side and cost reduction on the other side, Profit before tax shall increase substantially.

Company is in continuous dialogue with major customers for launching new products to ensure increase in sale and profit.

**DIVIDEND**

Your Directors do not recommend any dividend for the year under review considering the fund requirement for future business expansion.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public by invitation during the year.

**HUMAN RESOURCES**

Our vision and values form the basis of our attitudes and actions. Mutual trust and respect are essential for successful co-operation, which your company demonstrate in all its dealings. By building high levels of commitments and creating a passion for excellence the sustainable progress of your Company is brought about through its people.

**AUDITORS**

M/s Mittal Gupta & Co., Chartered Accountants as Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

**AUDITORS' REPORT**

The Comments made in the Auditors' Report are self explanatory and need no further elucidation.

**DIRECTORS**

Mr. Ankur Garg and Mr. Subhash Chandra Chugh are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Further, Mr. Saurabh Garg and Mr. Anil Kumar Gupta have resigned from the post of Directorship of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provision of Sec. 217 (2AA) of the Companies Act, 1956 your Directors state :

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed except AS 22.
- (ii) That your Directors have selected such accounting policies & applied them consistently and made judgement and estimates that are reasonable so as to

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give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the period.

- (iii) That your Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your company & for preventing and detecting fraud or other irregularities.
- (iv) That the Annual accounts have been prepared on a going concern basis.

### **COST AUDITORS**

As per the requirement of the Central Government and pursuant to Section 213 B of the Companies Act, 1956 the Company carries out an audit of Cost Accounts relating to our products every year. Subject to the approval of the Central Government, the company has reappointed M/s Rishi Mohan Bansal, Cost Accountants, as the Cost Auditors of the Company for the year 2009.

### **CORPORATE GOVERNANCE**

Your Company has always endeavoured to adhere to high standards of Corporate Governance and ensured its compliance in both spirit and law. As per the requirements of the Listing Agreement entered into with Stock Exchanges, a report on Corporate Governance together with the certificate from M/s Sarvesh S. Srivastava, Practicing Company Secretary, confirming the compliance of the Corporate Governance is attached to this report for information of the Members.

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

The particulars relating to the Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo as required u/s 217 (1) (e) of the Companies Act, 1956 are enclosed as part of this Report.

### **PARTICULARS OF EMPLOYEES**

There is no employee in the organization whose particulars are required to be given pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended up to date.

### **ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

By order of the Board  
For STANDARD SURFACTANTS LTD.

PAWAN KUMAR GARG  
*Chairman & Managing Director*

Place: Kanpur  
Date : 29.10.2009

ATUL KUMAR GARG  
*Whole-time Director*

**ANNEXURE 'I'**

**TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2009**

**A. CONSERVATION OF ENERGY :**

- (a) Energy conservation measures taken : Boiler feed changed from liquid to Solid (Speciality Chemical)
- (b) Additional investment and proposals, if any being implemented for reduction in energy consumption. : Rs. 22 Lacs done in the previous year
- (c) Impact of the measures (a) and (b) : Expected Annual Saving of Rs. 10 Lacs in Current Financial Year.

**B. CONSERVATION OF FUEL CONSUMPTION**

	Current Year	Previous Year
<b>1) ELECTRICITY</b>		
<b>a) Purchased</b>		
Units	3066048	2717534
Amount in Rs.	15044347	13077498
Rate / Unit	4.91	4.81
<b>b) Own Generation</b>		
(i) Through Diesel Generator		
Unit Generated	42486	76888
Amount in Rs.	867068	862314
Cost / Unit	20.41	11.22
(ii) Through Steam Turbine :	Not Used	Not Used
Unit	-	-
Unit per litre of fuel Oil /Gas	-	-
<b>2. COAL/WOOD (Used in-Boiler)</b>		
Qty. Consumed (Kg.)	1236852	739515
Amount in Rs.	3160599	1737764
Cost/Unit	2.56	2.35
<b>3. FURNACE OIL (Used in Boiler)</b>		
Unit Consumed (Ltrs.)	113875	145637
Amount in Rs.	2861253	2951007
Cost/Unit	25.13	20.26
<b>C. FOREIGN EXCHANGE EARNINGS :</b>	Nil	Nil
<b>D. FOREIGN EXCHANGE OUTGO :</b>	12183088	3797338

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## ANNEXURE-II

### CERTIFICATION OF COMPANY SECRETARY ON CLAUSE-49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE

To,  
The Board of Directors  
Standard Surfactants Ltd.  
8/15 Arya Nagar,  
Kanpur

We have reviewed the records concerning the company's compliance with clause 49 of the listing agreement entered into by the company with the stock exchanges, for the financial year beginning April 1, 2008 and ending on March 31, 2009.

The objective of our review is to give our opinion of whether the company has complied with the provisions of the clause 49 of the listing agreement entered into by the company with the stock exchanges.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review and the information and explanations given to us by the company.

Based on such review, in our opinion, the company has complied with clause 49 except composition of Audit Committee of the listing agreement with the stock exchange. However trading of Company's Shares on BSE is suspended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kanpur  
Date : 29.10.2009

For SARVESH SRIVASTAVA,  
*Companies Secretaries*  
*Membership No. 7719*

**ANNEXURE TO DIRECTORS' REPORT**

**REPORT OF CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY :**

Your Company perceives good Corporate Governance practice as a key to sustainable Corporate Growth and long term Shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning. All actions and strategic plan of your Company are directed towards delivering the value to all stakeholders, as well as conform to the highest Standard of Corporate behaviour.

Your Company's philosophy on Corporate Governance envisages the alignment of highest levels of transparency, accountability and equity, in all facts of its operation and in all its interactions with stakeholders. Your Company strongly believes that principle of fairness, transparency and accountability are the corner stones of good Corporate Governance. Hence, Corporate Governance to SSL means not only compliance with provision of Company law, allied Acts and Listing Agreement but also Management responsibility to work with morality, ethics and Accountability towards stakeholders and society for their Acts and decisions.

**2. BOARD OF DIRECTORS :**

**(i) Pecuniary relationship :**

Non- Executive Directors do not have any material pecuniary relationship with the company except receiving of sitting fees for attending Board meetings and committee meetings.

**(ii) Composition :**

As at March 31, 2009, the strength of the board of directors of the Company was Eight of which Four were independent and non-executive directors, Two were executive directors and Two were non-executive directors. During the period under review meetings of the Board of Directors were held on;

- April 29, 2008,
- July 29, 2008,
- October 24, 2008,
- January 24, 2009,

Details regarding Directors of the Company as on 31.03.2009 are given below :

Name of the Director	Designation	No. of other Directorship held		No of meetings attended	Attendance at last AGM held
		Public	Private		
<b>Non-executive</b>					
Mr. Purshottam Das Garg	Director	-	-	03	N
Mr. Ankur Garg	Director	-	03	03	Y
Mr. Saurabh Garg*	Director	-	02	02	N
<b>Independent and Non-executive</b>					
Mr. Satya Prakash Tayal	Director	-	-	04	N
Mr. Anil Kumar Gupta	Director	-	-	-	N
Mr. Subhash Chandra Chugh	Director	-	-	01	N
Mr. Abhishek Mehrotra	Director	-	-	-	N
<b>Executive Directors</b>					
Mr. Pawan Kumar Garg	Chairman & Managing Director	-	-	04	Y
Mr. Atul Kumar Garg	Whole Time Director	-	-	04	Y

\* Mr. Saurabh Garg has resigned from the post of Directorship w.e.f. 24.01.2009



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## (iii) Information to the Board :

During the year, Directors of the Company have been furnished informations (including but not limited to the following) to enable the Directors to deliberate in the decision making process.

- Quarterly results of the Company
- Annual operating plan, Budget, Capital Budget, updates and all variances.
- Materially important show cause notice, demand, prosecution or other legal notice.
- Compliance of any regulatory, Statutory nature or listing requirement.
- Minutes of the meeting of the Board of Directors and committees of the Directors.
- Details of relative party transaction.
- Quarterly compliance report on Clause 49
- *Transactions that involve substantial payment towards Goodwill, Brand equity & intellectual property.*

## (iv) Remuneration to Directors

Non-executive Directors of the Company are paid sitting fee for attending Board/ Committee meetings.

### Committee of Board

The Board of Directors have constituted the following committees with adequate delegation of power to discharge day to day affairs of the Company as well as to meet the exigency of business of the Company.

The committees constituted by the Board as on date are :

### 1. AUDIT COMMITTEE :

#### Terms of Reference :

- a) To oversee Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) To recommend appointment and removal of Statutory auditors, fixation of audit fee and also approve payment for other services.
- c) To review the adequacy of internal control systems with the Management, Statutory and internal auditors.
- d) To review the Company's financial and risk management policies.

### Composition

Mr. Satya Prakash Tayal	:	Non-Executive Director
Mr. Subhash Chandra Chugh	:	Non-Executive Director
Mr. Pawan Kumar Garg	:	Executive Director
Mr. Atul Kumar Garg	:	Executive Director

Meetings and attendance during the year

Members	Meetings Held	Meetings Attended
Mr. Satya Prakash Tayal	5	3
Mr. Subhash Chandra Chugh	5	3
Mr. Pawan Kumar Garg	5	5
Mr. Atul Kumar Garg	5	2

## 2. REMUNERATION COMMITTEE :

### Terms of Reference

- (a) To formulate from time to time, process of selection and appointment of Senior Executive.
- (b) Policy reviews on remuneration of Senior Executives and their Service Contracts.

### Composition

Mr. Pawan Kumar Garg	:	Executive Director
Mr. Atul Kumar Garg	:	Executive Director
Mr. Satya Prakash Tayal	:	Non-Executive Director

Meetings and attendance during the year

<b>Members</b>	<b>Meeting Held</b>	<b>Meeting Attended</b>
Mr. Pawan Kumar Garg	1	1
Mr. Atul Kumar Garg	1	1
Mr. Satya Prakash Tayal	1	1

### 3. INVESTOR GRIEVANCE COMMITTEE :

#### Terms of Reference

To redress shareholders/ investors grievances relating to

- transfer of shares
- non-receipt of declared dividends
- non-receipt of Balance Sheet and
- all such complaints directly concerning the shareholders/ investors as stakeholders of the company.

#### Composition

Mr. Satya Prakash Tayal	:	Chairman
Mr. Atul Kumar Garg	:	Executive Director
Mr. Pawan Kumar Garg	:	Executive Director

Meetings and attendance during the year

<b>Members</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Mr. Satya Prakash Tayal	4	4
Mr. Pawan Kumar Garg	4	4
Mr. Atul Kumar Garg	4	4

### 4. SHARE TRANSFER COMMITTEE :

#### Terms of Reference

- Transfer of Shares
- Issue of Duplicate Share Certificates.
- Change of address of Shareholders.

#### Composition

Mr. Satya Prakash Tayal	:	Chairman
Mr. Atul Kumar Garg	:	Executive Director
Mr. Pawan Kumar Garg	:	Executive Director

Meetings and attendance during the year

<b>Members</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Mr. Satya Prakash Tayal	4	4
Mr. Atul Kumar Garg	4	4
Mr. Pawan Kumar Garg	4	4

#### Compliance Officer

Board of Directors are making their efforts to appoint a Compliance officer in terms of the Listing Agreement.

### 5. GENERAL BODY MEETINGS :

- The Last three Annual General Meetings of the Company were held as under :

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2005-2006	29.11.2006	10.30 A.M	8/15 Arya Nagar, Kanpur
2006-2007	29.10.2007	10.30 A.M	8/15 Arya Nagar, Kanpur
2007-2008	24.12.2008	11.30 A.M	8/15 Arya Nagar, Kanpur

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Whether special Resolutions were put through ballot last year, details of voting Pattern, person who conducted the postal ballot exercise, purpose to be conducted through postal ballot and procedures for postal ballot – No.

### 6. DISCLOSURES :

- (a) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its founders, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large – Nil.
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any Statutory authority, on any matter related to capital market, during the last three years – Nil.  
However trading of shares on BSE, UPSE, Ahmedabad and Delhi Stock Exchanges have been remaining suspended for the last five years.

### 7. MEANS OF COMMUNICATION :

Quarterly results- which newspapers normally published in; any website, where Displayed; whether it also displays official news releases; and the presentations Made to institutional investors or to the analysts.

*The Quarterly results are generally published in the Pioneer and Daily Aaj or Swatantra Bharat.*

In line with recent amendments made to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Standard Surfactants Ltd. has formulated policy on Prevention of Insider Trading applicable to the Company's Directors and all employees. This policy was adopted by the Board at its Meeting held on 12th April, 2003.

### 8. General Shareholders' information :

#### (i) 20th Annual General Meeting

Venue : Registered Office  
Time : 11.30 A.M  
Day & Date : Tuesday, 29th December 2009

#### (ii) Book Closure :

The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 24th December 2009 to Tuesday, 29th December 2009 (both days inclusive.)

#### (iii) Listing of Equity Shares on Stock Exchange at :

1. BSE, Phiroze Jeejeebhoy Tower,  
25th Floor, Dalal Street,  
Mumbai-400001
2. The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1 Asaf Ali Road  
New Delhi-110002
3. The Stock Exchange, Ahmedabad  
Opp. Sahjanand College, Panjarapole  
Ahmedabad-380015
4. The U.P Stock Exchange Association Ltd.  
Padam Tower, 14/113, Civil Lines,  
Kanpur-208001.

(iv) Distribution of Share Holding :

(a) S.No.	Shareholding of Nominal value of	Share Holder		
		Number	% age to total	(in Rs.)
1.	Upto – 2500	12453	83.92	14035000
2.	2501 – 5000	165	10.82	6470000
3.	5001 – 10000	505	3.40	3961000
4.	10001 – 20000	153	1.03	2278000
5.	20001 – 30000	25	0.17	598000
6.	30001 – 40000	13	0.09	443000
7.	40001 – 50000	10	0.07	453000
8.	50001 – 100000	18	0.12	1444000
9.	100001 & Above	58	0.39	41794000
	<b>Total</b>	<b>14840</b>	<b>100.00</b>	<b>71476000</b>

The Distribution of Share holding as on 31st March, 2009 was as follows :

(b) Category	No. of shares held	Percentage of Shareholding
<b>A. Promoters Holding</b>		
1. Promoters :		
Indian	866800	12.13
Promoters (Include directors Foreign Promoters)		
2. Person Acting in concert :	1840900	25.75
<b>Sub Total</b>	<b>2707700</b>	<b>37.88</b>
<b>B. Non - Promoters Holding</b>		
<b>3. Institutional Investors</b>		
A. Mutual Funds, Banks, Financial Institutions, Insurance Companies, (Central /-State Govt. Institutional/ Non-Govt. Institution	756300	10.58
<b>Sub Total</b>	<b>756300</b>	<b>10.58</b>
<b>4. Others</b>		
a. Private Corporate Bodies	790900	11.07
b. Indian Public	2174600	30.42
c. NRIs/OCBs	718100	10.05
d. Any Other	0	0.00
<b>Sub Total</b>	<b>3683600</b>	<b>51.54</b>
<b>Grand Total</b>	<b>7147600</b>	<b>100.00</b>

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(v) **PLANT LOCATION :**

- |   |  |
|---|--|
| (a) Rania Plant, Kanpur<br>(Uttar Pradesh)    | 252,268, Village Umran,<br>Post Akbarpur, Rania,<br>Kanpur-Dehat. (U.P.)   |
| (b) Mandideep Plant<br>(Madhya Pradesh)       | 24A & B New Sector,<br>Industrial Area, Mandideep,<br>Bhopal - 462046 (MP) |
| (c) Paonta Sahib Plant<br>(Himanchal Pradesh) | Plot No. 114, Gondpur<br>Industrial Area, Paonta Sahib<br>(H. P.)          |

(vi) **ADDRESS FOR INVESTOR'S CORRESPONDENCE :**

Standard Surfactants Ltd.  
8/15 Arya Nagar, Kanpur U.P.  
Ph: 91-512-2531762  
Fax : 91-512-2548585  
E-mail : headoffice@standardsurfactants.com

(vii) **Registrar & Transfer Agent**

M/s Skyline Financial Service Pvt. Ltd.  
246, 1st Floor, Sant Nagar  
East of Kailash,  
New Delhi - 110 065

9. As per Clause 49 of the Listing Agreement with Stock Exchange, Company is required to obtain a Certification from the Company Secretary regarding compliance of conditions or Corporate Governance. Since the Company has implemented the Corporate Governance Code during the F.Y 2008-09, the Company Secretary's Certificate in respect of Compliance thereof is enclosed in this Annual Report.

Place : Kanpur

Date : 29.10.2009

## AUDITORS' REPORT

The Members of  
STANDARD SURFACTANTS LIMITED  
Kanpur

We have audited the attached Balance Sheet of STANDARD SURFACTANTS LIMITED, KANPUR, as at 31st March 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sec-227 (4A) of the Companies Act 1956, we annex hereto statement on the matters specified in Paragraphs-4 & 5 of the said Order.
- 2) Further to our 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 as far it appears from our examination of the books;
  - c) The balance sheet and profit & loss account referred to in this report are in agreement with the books of accounts;
  - d) In our opinion, except as stated in Para (f) herein below regarding non compliance of AS 22, the said balance sheet, profit & loss account and cash flow statement comply with the Accounting Standards referred to in Sec. 211 (3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as director under Clause (g) of Sub-Section (1) of Sec. 274 of the Companies Act, 1956.
  - f) (i) Liabilities for deferred tax has not been ascertained and provided for in accordance with Accounting Standard-22.  
(ii) We are not able to form our opinion on inadequacy of provision in respect of book debts outstanding for a period exceeding six months amounting to Rs. 57.98 lacs due to non realization/ finalization of suits for recovery/ non confirmation of balances.

Subject to aforesaid and note no.15 of Schedule "N", in our opinion and to the best of our information and according to the explanation given to us, the said balance sheet and profit & loss account read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- a) in the case of Balance Sheet of the State of Affairs of the Company as at 31ST MARCH, 2009;
- b) in the case of Profit & Loss Account of the PROFIT for the year ended on that date and
- c) in the case of cash flow statement, of the cash flow for the year ended on that date..

**For MITTAL GUPTA & CO.,**  
*Chartered Accountants*

Place : Kanpur  
Date : 29.10.2009

**B. L. GUPTA**  
*Partner*  
Membership No.73794

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## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 2 of our Report to the members of Standard Surfactants Ltd. on Accounts for the year ended 31st March 2009

1. **In respect of its fixed assets :**
  - a. The fixed assets records compiled by the company are under process of updation.
  - b. We are informed by the management that it has physically verified the assets of the company at the end of the year but the same could not be compared with the records as the same are under reconciliation. In these circumstances discrepancies, if any, could not be known.
  - c. In our opinion disposal of fixed assets by the company will not affect the going concern status of the Company.
2. **In respect of its inventories :**
  - a. As explained to us, the stock of raw materials, work-in-progress and finished goods have been physically verified by the management at regular intervals during the year. In respect of stock of stores and spares there is a perpetual inventory system and a substantial portion of stock have been verified during the year. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to the book records were not material having regard to the size of the operation of the company.
3.
  - a) According to information and explanation given to us, the company has granted interest free unsecured loans to eleven parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount due during the year is Rs. 113.10 lacs and the year - end balance is Rs. 35.80 lacs due from eight parties. The provisions of section 295 of the Companies Act, 1956 have not been complied with in respect of abovementioned advances.
  - b) In our opinion and according to the information and explanations given to us, the other terms and conditions of interest free unsecured loans granted by the company are not prima facie prejudicial to the interest of the Company.
  - c) According to the information and explanation given to us, there are no stipulations regarding the repayment of principal amount of interest free unsecured loan granted by the company. In these circumstances the irregularity in the receipt of principal amount could not be ascertained.
  - d) Since there is no stipulation regarding the repayment of loans, we are unable to comment on the overdue amounts of more than one lakh rupee.
  - e) According to information and explanation given to us, the company has taken unsecured loan from nine parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 376.54 lacs and the year - end balance due is Rs. 153.12 lacs due to seven parties.
  - f) In our opinion and according to the information and explanations given to us the rate of interest and other terms and conditions of the loans taken by the company are not prejudicial to the interest of the company.
  - h) In our opinion and according to the information and explanations given to us the company is regular in payment of the principal and interest amount.
4. 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 the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered U/s-301 of the Companies Act, 1956 :
  - a. In our opinion and according to the information and explanations given to us, the particulars of contacts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s-301 of the Companies Act, 1956 and exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. The provisions of Section 297 of the Companies Act, 1956 have not been complied with in respect of these transactions.
6. In our opinion and according to the information and explanations given to us, the company has not invited any

deposits from the general public in contravention of provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits), Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal with regards to acceptance of deposits by the company. The company has taken unsecured loans from the six parties during the year which are repayable on demand for a period less than three months which is not in accordance with the provisions of the Companies (Acceptance of Deposits) Rules, 1975.

7. In our opinion and according to the information and explanation given to us, the company has internal audit system commensurate with its size and nature of its business.
8. We are informed by the management that the cost records, required to be maintained by company pursuant to the orders made by the Central Government for the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956, for the current year are under preparation.
9. **In respect of Statutory Dues :**
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and Other Statutory dues have been deposited late along with the interest with the appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the aforesaid dues aggregating to Rs.20.20 lacs were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanation given to us, details of dues of sales tax, excise duty and cess which have not been deposited on account any dispute are as per details given in note no. 2 of schedule "N".
10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. According to the information and explanation given to us during the year the company has paid the dues of Financial Institution with some delay. There are no arrears of dues at the year- end to the financial institution.
12. In our opinion and according to the information and explanation given to us, no loan and advance have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore, Clause-4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. According to the information and explanations given to us, the company is not dealing or trading in the shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by other from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long-term investment.
18. In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained U/s 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanation given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.
20. In our opinion and according to the information and explanation given to us, the company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For MITTAL GUPTA & CO.,**  
*Chartered Accountants*

**B. L. GUPTA**  
*Partner*

*Membership No. 73794*

Place : Kanpur  
Date : 29.10.2009



# TWENTIETH ANNUAL REPORT

## BALANCE SHEET AS AT 31.03.2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
A) Capital	A	71,126,200		71,126,200	
B) Reserves and Surplus	B	<u>74,678,065</u>	145,804,265	<u>70,570,438</u>	141,696,638
<b>2. Loan Funds</b>					
A) Secured Loans	C	92,301,103		101,136,829	
B) Unsecured Loans & Deferred Payment Credit	D	<u>26,177,808</u>	118,478,911	<u>27,388,866</u>	128,525,695
Total Liabilities			<u>264,283,176</u>		<u>270,222,333</u>
<b>APPLICATIONS OF FUNDS</b>					
<b>1. Fixed Assets</b>	E				
A) Gross Block		295,726,837		292,478,657	
B) Less : Depreciation		<u>159,922,931</u>		<u>146,061,714</u>	
C) Net Block		<u>135,803,906</u>		<u>146,416,943</u>	
D) Capital Work in Progress		-	135,803,906	-	146,416,943
<b>2. Investments</b>					-
<b>3. Current Assets, Loans &amp; Advances</b>	F				
A) Inventories		31,256,966		28,138,334	
B) Sundry Debtors		127,455,736		102,280,072	
C) Cash and Bank Balances		5,238,946		13,122,078	
D) Loans and Advances		<u>55,138,640</u>		<u>32,692,143</u>	
		<u>219,090,288</u>		<u>176,232,627</u>	
<b>4. Less : Current Liabilities &amp; Provisions</b>	G				
A) Liabilities		88,802,715		51,078,231	
B) Provisions		<u>1,808,303</u>		<u>1,349,006</u>	
		<u>90,611,018</u>		<u>52,427,237</u>	
<b>5. Net Current Assets</b>			<u>128,479,270</u>		<u>123,805,390</u>
Total Assets			<u>264,283,176</u>		<u>270,222,333</u>
Cash Flow Statement	L				
Significant Accounting Policies	M				
Notes Forming part of the Accounts	N				

As per our report of the even date attached  
For MITTAL GUPTA & COMPANY  
Chartered Accountants

**B. L. Gupta**

Partner

M. No. 73794

Date : 29.10.2009

Place : KANPUR

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

Chairman & Managing Director

**Atul Kumar Garg**

Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	Current Year 31.03.2009		Previous Year 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Gross Revenue (Sales)			830,121,229		576,002,042
Less : Excise Duty			171,448,488		(139,790,845)
1. Net Revenue			658,672,740		436,211,197
2. Other Operational Income	H		8,131,973		9,725,828
3. Increase / (Decrease) in Stock	I		444,353		64,965
<b>Total Income</b>			<u>667,249,066</u>		<u>446,001,990</u>
<b>EXPENDITURE</b>					
1. Purchases			186,154,767		131,527,574
2. Raw Material Consumed			355,411,887		208,017,566
3. Manufacturing and Other Expenses	J		94,048,436		66,711,104
4. Interest	K		12,616,786		16,329,374
5. Depreciation			13,911,584		13,448,136
6. Prior Period Items			317,262		414,061
<b>Total Expenditure</b>			<u>662,460,722</u>		<u>436,447,815</u>
Profit/ (Loss) before Tax			4,788,344		9,554,175
Provision for Fringe Benefit Tax			421,642		450,000
Provision for Tax — Current Tax		460,000		950,000	
Less : MAT Credit Entitlement		<u>200,925</u>	259,075	<u>950,000</u>	—
<b>Profit / (Loss) After Tax</b>			4,107,627		9,104,175
<b>Add : Balance Brought Forward From Previous Year</b>			34,194,160		25,089,985
<b>Balance Carried Forward To The Balance Sheet</b>			38,301,787		34,194,160
Basic EPS			0.58		1.31
Diluted EPS			0.58		1.27

As per our report of the even date attached

For MITTAL GUPTA & COMPANY

*Chartered Accountants*

**B. L. Gupta**

*Partner*

M. No. 73794

Date : 29.10.2009

Place : KANPUR

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

*Chairman and Managing Director*

**Atul Kumar Garg**

*Director*

# TWENTIETH ANNUAL REPORT

## Schedules annexed to and forming part of Accounts as at 31.03.2009

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE A : SHARE CAPITAL</b>				
<b>a. Authourised Capital :</b>				
10000000 Equity Shares of Rs 10/- Each		<u>100,000,000</u>		<u>100,000,000</u>
<b>b. Issued, Subscribed and Paid up Capital :</b>				
7147600 (6960700) Equity Shares of Rs 10/- Each and (747600 Equity Shares of Rs.10/- each have been allotted to IDBI Bank for consideration otherwise than cash)		<u>71,476,000</u>		<u>69,607,000</u>
<i>Less</i> : Calls unpaid from other than Directors		<u>(349,800)</u>		<u>(349,800)</u>
Total		<u>71,126,200</u>		<u>69,257,200</u>
<i>Add</i> : Equity Share Suspense		-		<u>1,869,000</u>
(Refer note 4 of Schedule 'N')				
<b>Total of Share Capital</b>		<u>71,126,200</u>		<u>71,126,200</u>

## SCHEDULE B : RESERVES & SURPLUS

1. Share Premium Account				
Balance as per Last Balance Sheet	<u>21,105,999</u>		<u>21,105,999</u>	
<i>Less</i> : Calls in Arrears	<u>(174,900)</u>	<u>20,931,099</u>	<u>(174,900)</u>	<u>20,931,099</u>
2. Investment Allowance Reserve		<u>348,000</u>		<u>348,000</u>
3. General Reserve				
Balance as per Last Balance Sheet	<u>12,716,191</u>		<u>12,716,191</u>	
<i>Add</i> : Transfer from Profit & Loss Account	-	<u>12,716,191</u>	-	<u>12,716,191</u>
4. Profit & Loss Account		<u>38,301,787</u>		<u>34,194,160</u>
5. Capital Reserves				
Balance as per Last Balance Sheet		<u>2,380,988</u>		<u>2,380,988</u>
Total of Reserves and Surplus		<u>74,678,065</u>		<u>70,570,438</u>

**Schedules annexed to and forming part of Accounts as at 31.03.2009**

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE C : SECURED LOANS</b>				
1. Term Loans				
A From IDBI				
i Rupee Term Loan		8,006,308		25,000,000
2. From State Bank of India				
Rupee Cash credit	22,782,602		4,681,512	
Working Capital Demand Loan	–		4,500,000	
Foreign Currency Working Capital Demand Loan	59,751,000	82,533,602	65,407,500	74,589,012
From Others & NBFC				
Vehicle Loan	1,568,660		824,417	
Equipment Loan	192,533	1,761,193	723,400	1,547,817
<b>Total of Secured Loans</b>		<b>92,301,103</b>		<b>101,136,829</b>

**SCHEDULE D : UNSECURED LOANS & DEFERRED PAYMENT CREDIT**

1. Unsecured Loans				
From Companies	9,139,491		–	
From Others	10,481,206	19,620,697	17,119,755	17,119,755
2. Deferred Payment Credit				
IDBI Interest		6,557,111		10,269,111
<b>Total of Unsecured Loans</b>		<b>26,177,808</b>		<b>27,388,866</b>

**SCHEDULE E : FIXED ASSETS AS AT 31.03.2009**

Particulars of Assets	COST Rs.					DEPRECIATION Rs.				NET BLOCK Rs.	
	Rate of Dep.	As at 01.04.2008	Additions	Sales/ Adjust-ments	As at 31.03.2009	As at 01.04.2008	For the Year	Adjust-ments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1. Trade Mark	10.00%	3,500,000	-	-	3,500,000	2,950,000	550,000	-	3,500,000	-	550,000
2. Goodwill	0.00%	456,465	-	-	456,465	91,293	91,293	-	182,586	273,879	365,172
3. Free Hold Land	0.00%	1,809,812	-	-	1,809,812	-	-	-	-	1,809,812	1,809,812
4. Leasehold Land	0.00%	1,767,182	-	-	1,767,182	157,802	36,097	-	193,899	1,573,283	1,609,380
5. Factory Building	3.34%	77,903,127	305,484	-	78,208,611	28,904,962	2,606,304	-	31,511,265	46,697,346	48,998,165
6. Office Building	1.63%	265,694	-	-	265,694	67,912	4,331	-	72,243	193,451	197,782
7. Plant & Machinery	4.75%	186,032,096	1,787,141	178,143	187,641,094	98,302,311	9,402,851	36,668	107,668,494	79,972,600	86,764,583
8. Furniture and Fixtures	6.33%	5,544,500	45,600	-	5,590,100	4,232,824	352,825	-	4,585,649	1,004,451	1,311,676
9. Office Equipment	4.75%	3,698,842	56,316	24,300	3,730,858	1,953,744	174,337	7,918	2,120,162	1,610,696	1,745,098
10. Computers	16.21%	4,983,804	1,212,114	-	6,195,918	4,358,618	185,692	-	4,544,310	1,651,608	625,186
11. Vehicles	9.50%	6,483,353	49,750	-	6,533,103	5,035,403	506,525	-	5,541,928	991,176	1,447,950
12. A. C.	4.75%	28,000	-	-	28,000	1,065	1,330	-	2,395	25,605	26,935
<b>TOTAL</b>		292,472,875	3,456,405	202,443	295,726,837	146,055,934	13,911,584	44,586	159,922,931	135,803,906	145,451,739
Previous year		279,092,526	15,231,561	1,845,521	292,478,566	133,655,870	13,448,136	1,042,292	146,061,714	146,416,943	145,451,739

*Schedules annexed to and forming part of Accounts as at 31.03.2009*

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE F : CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>A. Inventories</b>				
1. Finished Goods	11,007,963		9,311,387	
2. Work in progress	338,556		1,590,779	
3. Raw Material	15,637,895		14,662,807	
4. Stores, Spare Parts & Tools	4,272,552		2,573,361	
<b>Total of Inventories</b>		<u>31,256,966</u>		<u>28,138,334</u>
<b>B. Sundry Debtors</b>				
(Unsecured Considered Good)				
1. Over Six Months				
Considered Doubtful Debts	707,461		2,080,880	
Considered Good Debts	8,509,136		11,122,958	
Less : Provision for Doubtful Debts	707,461		(2,080,880)	
		8,509,136		11,122,958
2. Others : Considered Good	-	118,946,600		91,157,114
<b>Total of Sundry Debtors</b>		<u>127,455,736</u>		<u>102,280,072</u>
<b>C. Cash &amp; Bank Balances</b>				
1. Cash, Cheques & Draft in Hand		2,160,470		11,209,159
2. With Post Office		100		100
3. Balance with Scheduled Banks				
a) In Term Deposit (Pledged with Authorities)	207,600		1,388,600	
b) In Current Accounts	2,870,776	3,078,376	524,219	1,912,819
<b>Total of Cash and Bank Balances</b>		<u>5,238,946</u>		<u>13,122,078</u>
<b>D. Loans &amp; Advances &amp; Deposits etc.</b>				
(Unsecured Considered Good)				
1. Advances Recoverable in cash or kind or for value to be received				
Suppliers	3,923,711		2,928,692	
Others	30,726,760		12,179,651	
2. Advance Income Tax	2,035,756		2,003,890	
3. Balances with Excise Department	930,196		2,830,090	
4. Excise Duty Recoverable	177,760		95,362	
5. Sales Tax Claims Receivable	3,845,215		2,790,488	
6. Security Deposit	6,325,895		5,931,417	
7. Insurance Claim Receivable	2,278,582		1,360,895	
8. Freight Subsidy Receivable	1,933,744		883,750	
9. Vat on Purchase	1,313,819		263,731	
10. Interest Accrued on FDR	46,277		24,177	
11. MAT Credit Entitlement	1,600,925		1,400,000	
<b>Total of Loans and Advances</b>		<u>55,138,640</u>		<u>32,692,143</u>

# TWENTIETH ANNUAL REPORT

## Schedules annexed to and forming part of Accounts as at 31.03.2009

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A) Current Liabilities</b>				
1. Sundry Creditors	56,289,577		29,491,516	
2. Interest Accrued but not due	-		502,709	
Advances from Customers	20,328,078		7,636,345	
3. Other Current Liabilities	12,169,820		13,432,421	
Investors Education & Protection Fund shall be transferred by following Unpaid Share Allocation Money	-		-	
	15,240	88,802,715	15,240	51,078,231
<b>Total of Current Liabilities</b>		<b>88,802,715</b>		<b>51,078,231</b>
<b>B) Provisions</b>				
Provision for Tax	460,000		1,400,000	
Provision for Fringe Benefit Tax	1,321,642		1,400,000	
Less : Contra from Advance Tax	1,781,642	-	2,800,000	-
Provision for Leave Encashment	904,882		706,786	
Provision for Gratuity	903,421	1,808,303	642,220	1,349,006
<b>Total of Provisions</b>		<b>1,808,303</b>		<b>1,349,006</b>
<b>Total of Current Liabilities &amp; Provisions</b>		<b>90,611,018</b>		<b>52,427,237</b>
<b>SCHEDULE H : OTHER OPERATIONAL INCOME</b>				
1. Lease Rent / Rent Received (Gross)		415,000		516,000
2. Balance written off / back (Net)		500,999		987,132
3. Miscellaneous Income		1,090,978		1,101,640
4. Commission Received (Gross)		1,949,220		1,389,756
5. Profit on Sale of Assets		-		1,909,945
6. Excess Provision Written Back		2,625,982		-
7. Insurance Claims		562,050		100,052
8. Freight Subsidy Received		987,744		883,750
9. Dividend		-		1,379
10. Claims Received (RM)		-		2,836,174
<b>Total of Other Operational Income</b>		<b>8,131,973</b>		<b>9,725,828</b>
<b>Tax Deducted at Source on above Income</b>		<b>232,254</b>		<b>136,980</b>
<b>SCHEDULE I : INCREASE / ( DECREASE ) IN STOCK</b>				
1. Stock in Trade (At Commencement)				
Finished Goods	9,311,387		8,573,914	
Work in Progress	1,590,779	10,902,166	2,263,287	10,837,201
2. Stock in Trade ( At Close )				
Finished Goods	11,007,963		9,311,387	
Work in Progress	338,556	11,346,519	1,590,779	10,902,166
<b>Total Increase / (Decrease) in Stock</b>		<b>444,353</b>		<b>64,965</b>

*Schedules annexed to and forming part of Accounts as at 31.03.2009*

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE J : MANUFACTURING &amp; OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
1. Power & Fuel	22,065,814		18,732,418	
2. Excise Duty & Edu Cess	(1,794,852)		(487,092)	
3. Miscellaneous Manufacturing Expenses	1,014,517		221,543	
4. Processing & Packing Charges/Stores	5,448,640	26,734,119	3,229,717	21,696,586
<b>Employees' Remuneration &amp; Benefits</b>				
1. Salaries & Wages	14,396,405		12,222,266	
2. Contribution of PF and Other Funds	797,490		674,431	
3. Workmen & Staff Welfare Expenses	789,139		339,549	
4. Gratuity	292,000	16,275,034	139,309	13,375,555
<b>Repairs &amp; Maintenance</b>				
1. Machinery	5,874,138		3,504,987	
2. Building	375,702		275,907	
3. Others	928,084	7,177,924	692,034	4,472,928
<b>Auditors' Remuneration</b>				
1. For Audit	75,000		75,000	
2. For Tax Audit	35,000		35,000	
3. For Expenses	27,432	137,432	47,778	157,778
<b>Internal Audit Fees</b>				
		109,981		90,000
<b>Selling, Administrative &amp; Other Expenses</b>				
Rent	59,260		157,660	
Insurance	1,035,931		698,368	
Security Expenses	631,664		466,604	
Bank Commission & Charges	1,433,433		1,428,681	
Bus Running & Maintenance	230,363		235,762	
Diwali Expenses	431,558		294,056	
Entertainment Expenses	294,194		246,859	
Donation	90,656		67,861	
Fines & Penalties	-		28,070	
Car Running & Maintenance	1,014,496		1,023,852	
Exchange Rate Difference	834,550		35,000	
Rates, Taxes, Legal & Professional Expenses	1,624,004		2,313,152	
Taxes on Sale	18,043,981		8,609,946	
Freight Outward	1,633,863		1,930,129	
Commission & Sales Incentive	134,050		98,533	
Directors' Remuneration	1,920,000		480,000	
Depot Exp.	224,846		203,387	



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### *Schedules annexed to and forming part of Accounts as at 31.03.2009*

	Current Year 31.03.2009		Previous Year 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE J : MANUFACTURING &amp; OTHER EXPENSES (Contd..)</b>				
Miscellaneous Expenses	983,020		767,472	
Loss on sale of Assets	51,757		-	
Postage & Telephone Expenses	1,382,553		1,388,492	
Travelling Expenses	1,968,909		2,311,447	
Advertisement & Business Development	313,240		263,062	
Printing & Stationery	342,179		385,310	
Bad Debts / Balances w/off	8,935,441	43,613,947	3,484,554	26,918,257
<b>Total of Manu. Exp &amp; Other Expenses</b>		<b>94,048,436</b>		<b>66,711,104</b>
<b>SCHEDULE K : INTEREST</b>				
On Term Loan	1,566,599		2,720,798	
On Others	11,427,102	12,993,701	13,760,484	16,481,282
Less : Interest Received		(376,915)		(151,908)
<b>Total Interest</b>		<b>12,616,786</b>		<b>16,329,374</b>
Tax Deducted at Source on above Income		49,970		51,005

*Schedules annexed to and forming part of Accounts as at 31.03.2009*

	<b>Rs. in Lacs For the Year 2008-2009</b>	<b>Rs. in Lacs For the Year 2007-2008</b>
<b>SCHEDULE L : CASH FLOW STATEMENT</b>		
<b>A : CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax as per P & L Account	47.88	95.54
Adjusted for net prior / Extra ordinary Items	3.17	4.14
<b>Net Profit before Tax and Extraordinary Items</b>	<b>51.05</b>	<b>99.68</b>
Adjusted for :		
Depreciation on fixed Assets	139.12	134.48
Profit/ Loss on Sale of Assets	0.52	(19.10)
Foreign Exchange forward Risk Premium	8.35	0.35
Bad Debts/ Balances Written off	89.35	34.85
Excess provision/ Balances Written off	(26.26)	(9.87)
Interest Expenses	129.94	164.81
Interest Received	(3.77)	(1.52)
Dividend	0.00	(0.01)
<b>Operating Profit before Working Capital changes adjusted for :</b>	<b>388.30</b>	<b>403.67</b>
Trade & Other receivables	(563.03)	(252.51)
Inventories	(31.19)	(33.44)
Trade Payable	412.51	171.97
<b>Cash generated from operations</b>	<b>206.59</b>	<b>289.69</b>
Income tax paid	(9.14)	(10.84)
<b>Cash Flow before Extra Ordinary Items</b>	<b>197.45</b>	<b>278.85</b>
Adjusted prior period items	(3.17)	(4.14)
<b>Net Cash from Operating Activities</b>	<b>194.28</b>	<b>274.71</b>
<b>B : CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(34.56)	(146.37)
Sales of Fixed Assets	1.06	27.13
Dividend Received	0.00	0.01
Interest Received	3.55	1.28
<b>Net Cash used in investing Activities</b>	<b>(29.95)</b>	<b>(117.94)</b>
<b>C : CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acceptance/repayment of Unsecured Loans & DPC	25.01	28.35
Repayment of Demand Loan	(45.00)	45.00
Repayment of Long Term Loans	(167.80)	(130.00)
Net increase/(decrease) in Bank Borrowings	124.45	11.78
Foreign Exchange forward Risk Premium	(7.74)	(0.35)
Interest Paid	(172.08)	(163.67)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(243.16)</b>	<b>(208.89)</b>
Net increase/(decrease) in Cash & Cash equivalents	(78.83)	(52.12)
Opening Balance of Cash and Cash Equivalents	131.22	0.00
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>52.39</b>	<b>(52.12)</b>

## TWENTIETH ANNUAL REPORT

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### SCHEDULE 'M' OF SIGNIFICANT ACCOUNTING POLICIES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009.

#### A) Basis of Preparation of Financial Statements :-

1. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated here in below as adopted consistently.
2. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
3. The preparation of financial statements requires estimates and assumptions to be made that affect, the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### B) Fixed Assets :-

Fixed assets are taken at cost, net of cost, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production.

#### C) Depreciation & Amortisation :-

1. Depreciation is provided on straight line method at the rate and in the manner prescribed in schedule XIV to the Companies Act, 1956.
2. Depreciation on incremental cost arising on account of transaction of foreign currency liabilities for acquisition land is amortized over the residual life of the respective assets.
3. Premium on leasehold land is amortized over the remaining life after commencement of commercial productions.
4. Goodwill and trade marks are amortized over a period of five and ten years respectively.

#### D) Foreign Exchange Transaction :-

1. Foreign currency transactions remaining unsettled at the end of the year & not covered by foreign exchange contracts are translated at year end rates.
2. In respect of the transactions covered by forward contracts, the difference between the contract rate & the rate on the date of transaction is charged to profit & loss account over the period of the contract.

#### E) Inventories :-

Inventories are valued at cost except of finished goods and by products. Finished goods are valued at lower of cost or market value and by products are valued at market value.

#### F) Sales :-

Sales includes Inter-Unit Transfer, Excise Duty, Tax on Sales, Vat and are Net of Discounts.

#### G) Employees Benefits :-

1. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
2. Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered service. The gratuity is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses are charged to the profit and loss account. Liability for leave encashment is provided for considering retirement of employees at year end.

#### H) Investment :-

Investments are Carried at Cost.

**(I) Taxes on Income :-**

Taxes on Income for Current Period has been determined on the basis of Taxable Income and Tax Credits computed in accordance with provisions of Income Tax Act, 1961.

**(J) Impairment of Assets :-**

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication or impairment, if any, such indication exist the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an assets or its cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted on their present values. All impairment losses are recognized in compliance with AS-28.

An impairment loss is reversed if there has been a change in estimated use to determine the recoverable amount and recognized in compliance with AS-28.

**(K) Provision, Contingent Liabilities and Contingent Assets :-**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

As per our Report of the even date attached

For Mittal Gupta & Company

Chartered Accountants

B. L. Gupta

(Partner)

M.No. : 73794

Date : 29.10.2009

Place : Kanpur

**SCHEDULE N OF NOTES FORMING PART OF THE ACCOUNTS**

	As at 31.3.2009 Rs. in Lacs	As at 31.3.2008 Rs. in Lacs
<b>1. Contingent Liabilities on account of</b>		
a) Excise Duty Demand in dispute	16.42	9.25
b) Service Tax demand in dispute	3.33	1.30
c) Sale /Trade Tax Demand in dispute	110.45	137.97
d) Sale /Trade Tax Demand in dispute	21.00	47.87
e) Electricity Demand in dispute	5.31	5.31
<b>2. Details of Pending Cases and disputed amount before adjudicating authority of Central Excise, Service Tax/Trade tax/ Sales tax department/authority.</b>		

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### 3. Details of Disputed Demand

PARTICULARS	Financial Year to which matter pertains	Adjudicating authority where dispute is pending	Amount (Rs. in Lacs)
Central Excise duty/ Penalty in Dispute under Central Excise Act, 1944	2004-05	CESTAT, New Delhi	4.75
	2004-05	CESTAT, New Delhi	4.24
	Feb-05 to May-05	* AC, Central Excise, Div-II Bhopal	0.10
	Feb-05 to May-05	* AC, Central Excise, Div-II Bhopal	0.16
	Oct-05 to Jul-08	* AC, Central Excise, Div-II Bhopal	3.83
	Apr-08 to Sep-08	* AC, Central Excise, Div-II Bhopal	3.33
	Apr-08 to Sep-08	* DC, Central Excise, Div-II Bhopal	0.005
Service Tax in dispute under Service Tax Act, 1944	Jan.-05 to Sept.-05	* AC, Central Excise, Div-II Bhopal	0.19
	Jan.-05 to Sept.-05	* AC, Central Excise, Div-II Bhopal	0.23
	Oct.-05 to Mar.-05	* AC, Central Excise, Div-II Bhopal	0.12
	Apr.-2006 to Sept.-06	* AC, Central Excise, Div-II Bhopal	0.15
	Oct.-2006 to July.-07	* AC, Central Excise, Div-II Bhopal	0.27
	Oct.-06 to July.-07	* AC, Central Excise, Div-II Bhopal	0.19
	April.-04 to Sept.-07	* AC, Central Excise, Div-II Bhopal	0.15
Sept.-04 to Dec.-07	* AC, Central Excise, Div-II Bhopal	2.03	
Trade Tax in Dispute under U.P. Trade Tax Act, 1948	2001-02	Joint Commissioner, (Appeals), Kanpur	7.64
	2002-03	Joint Commissioner, (Appeals), Kanpur	4.24
	2003-04	Joint Commissioner, (Appeals), Kanpur	81.36
	2004-05	Joint Commissioner, (Appeals), Kanpur	3.89
Central Sales Tax Demand Under Central Sales Tax Act, 1956	2001-02	DC, Commercial Tax (Appeals), Bhopal.	1.88
	2002-03	DC, Commercial Tax (Appeals), Bhopal.	7.01
	2002-03	DC, Commercial Tax (Appeals), Bhopal.	0.01

	2004-05	DC, Commercial Tax (Appeals), Bhopal.	2.37
	2004-05	DC, Commercial Tax (Appeals), Bhopal.	0.16
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.28
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.31
M.P Commercial tax demand in dispute under M.P. Commercial Tax Act, 1994	2002-03	DC, Commercial Tax (Appeals), Bhopal.	0.30
	2004-05	DC, Commercial Tax (Appeals), Bhopal.	0.10
	2004-05	DC, Commercial Tax (Appeals), Bhopal.	0.84
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.04
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.02
Entry tax demand in dispute Under M.P. Tax on Entry of Goods Act, 1956.	2004-05	DC, Commercial Tax (Appeals), Bhopal.	0.03
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.04
	2005-06	DC, Commercial Tax (Appeals), Bhopal.	0.09
Entry Tax Demand in dispute under U.P.Tax on Entry of Goods Act, 2001	2003-04 to 2007-08	Hon'ble High Court, Allahabad.	20.84

**\* Appeals have been decided in our favour as on date.**

3. In View of the stay of Allahabad High Court against the recovery of Entry Tax on certain products traded by the company, entry tax aggregating to Rs. 20.84 Lacs has not been deposited and provided for.
4. As per negotiated terms and condition with IDBI, the company has issued Equity Shares of Rs. 74.76 Lacs to compensate reduction in interest rate. The Company has allotted 560700 equity shares of Rs. 10.00 each amounting to Rs. 56.07 Lacs on 29.11.2006 and 186900 equity shares of Rs. 10/- each amounting to Rs.18.69 Lacs on 24.10.2008.
5. Cash Credit and demand loan from bank is secured by hypothecation of raw materials, work in progress, finished goods, book debts and collaterally secured by way of second charge on the fixed assets of the company and first charge on immovable property owned by other body corporate and further guaranteed by the three directors of the company and other body corporate.
6. Term Loan from IDBI and deferred interest due thereon is secured by hypothecation of all present and future movable properties of the company (save and except charged to bank for securing working capital limit) and by mortgage of immovable properties of the company and guaranteed by the four directors of the company.
7. Equipment and vehicle Loans are secured by hypothecation of respective equipments and vehicles.

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8. Trade Mark (Brands) are yet to be registered in name of the company.  
 9. Amount of Sales includes interunit transfer of Products at selling price Rs.24736391.00 (Previous Year Rs. 18865892.00.)

**10. Advance includes :**

	31.3.2009	31.3.2008
	Rs. in Lacs	Rs. in Lacs
(a) Due From Directors*	29.01	25.01
Maximum Balance	29.85	27.63
(b) Due From Private Ltd. Companies and firms in which directors are interested**	6.36	16.24
* excluding cheques in hand	-	2.62
** excluding cheques in hand	-	29.14

**11. PAYMENT MADE TO STATUTORY AUDITORS**

	31.3.2009	31.3.2008
	Rs. in Lacs	Rs. in Lacs
(a) As Auditors		
Audit Fees	75000	75000
Tax Audit Fees	35000	35000
(b) Reimbursement of expenses	27432	30981

**12. MANAGERIAL REMUNERATION**

Salaries	1920000	480000
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**13. DETAILS OF PRIOR PERIOD EXPENSES**

Taxes	-	106217
Travelling Expenses	29546	30575
Salary	30000	8000
Telephone	28898	8000
Other Expenses	360530	261269
	<u>448974</u>	<u>414061</u>

14. Expenditure on account of Premium on forward Contract to be recognized in the profit and loss account of next year aggregates to Rs. 9.60 Lacs (Previous Year Rs.7.35 lacs).  
 15. Some of the suppliers, Debtors, Advances and Unsecured Loans accounts are subject to confirmation/Reconciliation, settlement of claims and encashment/realization of Cheques in hand /issued.

**16. EMPLOYEES BENEFITS**

**Defined Contribution Plan**

The Company's Employees' Provident Fund, administered through Government Provident Fund. Employee State Insurance Scheme are considered as Defined Contribution Plans. The Company's contributions paid and payable towards these defined contributions plan are recognized as expense in the Profit and Loss Account during the Period in which the employees rendered the related service. The Interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The company has no obligation to make good the shortfall, if any, between the return from the investments and the notified interest rate.

**Defined Benefit Plan**

The present value of gratuity and liability for leave encashment are considered Defined Benefit Plan. The Present value of gratuity obligation is determined based on actuarial valuation using the projected unit credit method in respect of employees at Mandideep units, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at

the balance sheet date on Government Securities. The Gratuity Plan is non funded. The actuarial assumptions are as under :-

	2008-09	2007-08
Rate of discount	8.10% p.a.	8.75% p.a.
Rate of escalation in salary	5.00% p.a.	5.00% p.a.
Mortality	Indian Assured Lives Mortality (1994-96)(modified) Ultimate	Indian Assured Lives Mortality (1994-96)(modified) Ultimate

The following table sets out the amounts to be recognized in the Company's financial statements as at March 31, 2009.

	As at 31.3.2009 (Rs. '000)	As at 31.3.2008 (Rs. '000)
Change in Defined Benefit Obligation		
1. DBO at the beginning of the period	734.37	N. A.
2. Service Cost	134.97	N. A.
3. Interest Cost	64.26	N. A.
4. Actuarial (Gain) / Loss	(2.99)	N. A.
5. Benefits paid	0.00	N. A.
6. Projected Benefit obligation at the end of the year	930.61	N. A.

The Leave encashment obligation is determined based on the amount payable at the year end considering separation of all the employees.

**17. DISCLOSURE REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES (DEVELOPMENT) ACT, 2006.**

In the absence of necessary information in relation to the suppliers registered as Micro or Small enterprises under the Micro, Small and Medium Enterprises (Development) Act, 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be complied and disclosed.

**18.** As at 31st March, 2009, there is one outstanding Forward Contract of \$ 1.20 million equivalent to Rs. 597.51 Lacs which has been entered into to hedge the USD Working Capital Demand Loan of \$ 1.20 million.

**19. Disclosure of related parties Transactions :**

Name of the related parties with whom transactions were carried out during the year and description of relationship :

**A. Key Management persons (KMP) and their relatives**

- (i) Mr. Pawan Kumar Garg, Chairman & Managing Director
- (ii) Mr. Atul Kumar Garg, Whole Time Director
- (iii) Mr. Saurabh Garg
- (iv) Mr. Purshottam Das Garg, Director
- (v) Mr. Ankur Garg, Director
- (vi) Mr. Kunal Garg, Executive
- (v) Mr. Aditya Garg, Executive

**B. Enterprises where KMP have significant influence**

- (i) M/s Standard Sulphonators (P) Ltd.
- (ii) M/s Industrial Enterprisers, Kanpur
- (iii) M/s Kashi Prasad Roop Kishore
- (iv) M/s Standard Ventures Ltd.
- (v) M/s Uniflex Industries (P) Ltd.
- (vi) M/s Sudhir Kumar Gautam Kumar
- (vii) M/s My Car Bhopal (P) Ltd.
- (viii) M/s My Fone Tele Services, Bhopal
- (ix) M/s Standard Ganpati Merchandise (P) Ltd.



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<b>I Details of Transactions</b>					
Rs. in Lacs					
		Enterprises over where KMP have Significant influence		KMP	
		2008-09	2007-08	2008-09	2007-08
1	Sale of Goods	95.00	113.43	-	-
2	Interest Expenses	4.74	-	-	-
3	Advance/ Loan Given	85.69	275.13	5.87	5.92
4	Refund of Advance/ Loan	84.68	274.52	1.44	2.62
5	Loan Received	540.90	146.15	1.38	-
6	Loan Repaid	531.11	151.04	1.38	-
7	Expenses-Others	0.32	0.09	0.90	-
8	Purchase of goods	33.81	0.12	-	-
9	Rent Received	3.60	3.45	-	-
10	Remuneration	-	-	19.20	4.8
<b>II Amount Due to/ from Related Parties</b>					
1	Account Receivable	4.75	10.19	-	-
2	Account Payable	0.32	-	-	-
3	Loans Recoverable	6.36	7.75	29.44	25.01
4	Unsecured Loans	137.87	131.07	15.25	-
5	Security Given	14.00	14.00	-	-
6	Cheques in hand	-	151.14	-	2.62

<b>20. Basic and diluted Earning Per Shares (EPS)</b>	<b>2008-09</b>	<b>2007-08</b>
<b>Basic Earning Per Shares (EPS)</b>		
Profit after tax as per accounts ( Rs. in Lacs)	41.08	91.04
Numbers of Shares subscribed	7038575.00	6960700.00
Basic Earning Per Shares (EPS)	0.58	1.31
<b>Diluted Earning Per Shares (EPS)</b>		
Profit after tax as per accounts (Rs. in Lacs)	41.08	91.04
Numbers of Diluted Shares	7038575.00	7147600.00
Diluted Earning Per Shares (DEPS)	0.58	1.27

**21. Segment Reporting**

(a) Segment Identification

Business segments have been identified on the basis of the nature of products.

(b) Segment Composition

Chemicals and Surface Active Segment - engaged in the Manufacture and sale of specialty Chemicals in detergent, Personal care and pesticides industry.

Synthetic Detergent – engaged in manufacturing of Synthetic Detergent

Others – engaged in Trading and other activities.

(c) Segment Reporting

(Rs. In Lacs)

Particulars	Chemicals & Surface Active Segment	Synthetic Detergent Segment	Other	Unallocate	Total
<b>Sales including Excise Duty</b>					
External	2832.78	3487.65	1733.42	–	8053.85
	(2235.22)	(1841.38)	(1494.76)	–	(5571.36)
Inter Segment	247.36	–	–	–	247.36
	(188.66)	–	–	–	(188.66)
Total Sales	3080.14	3487.65	–	–	8301.21
	(2423.88)	(1841.38)	(1494.76)	–	(5760.02)
<b>Result</b>					
Segment Result	254.04	(5.59)	30.36	–	278.81
	(176.25)	(5.81)	(134.67)	–	(316.73)
Unallocable Corporate Expenditure (Net of Income)					104.76
					(57.90)
Operating Profit (PBIT)					174.05
					(258.83)
Interest Expenses					126.17
					(163.29)
Profit before Tax					47.88
					(95.54)
Provision for Tax– including FBT					6.80
					(4.50)
Profit after Tax					41.08
					(91.04)
<b>Other Information</b>					
Segment Assets	1374.31	1135.11	757.93	281.59	3548.94
	(1264.57)	(1259.10)	(456.07)	(246.76)	(3226.50)
Segment Liabilities	232.99	437.49	200.73	1219.69	2090.90
	(236.50)	(161.50)	(64.20)	(1347.33)	(1809.53)
Capital Expenditure	4.37	17.35	0.9	11.94	34.56
	(32.08)	(116.48)	(0.18)	(3.58)	(152.32)
Depreciation	81.73	53.39	0.5	3.5	139.12
	(81.91)	(49.97)	(0.43)	(2.17)	(134.48)

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22. Information pursuant to the provisions of Paragraphs 3 and 4 of part II and schedule VI of the Companies Act, 1956:

(Quantity in M.T.)				
A) Licensed and Installed Capacities and Production Cost of products	Licensed Capacity	Installed Capacity	Actual Production	
(i) Chemicals and surface-Active Agents	(N/A)	19550 (19550)	12349 (12205)	
(ii) Detergents	(N/A)	48000 (48000)	14267 (9177)	
* Including production on job work basis Chemicals	11001 M.T.		(10937) M.T.	
B) Purchase	2008-2009		2007-2008	
	Qty (MT)	(Rs.)	Qty (MT)	(Rs.)
Detergents	-	-	-	-
Chemicals (Trade)	3482	186,154,767	2479	131,527,574
Others	-	-	-	-
		<u>186,154,767</u>		<u>131,527,574</u>
C) Sales (Including job work)				
Chemicals and surface-Active Agents	12493	287,809,734	12274	242,387,730
Detergents	14038	348,764,536	9159	184,137,613
Chemicals (Trade)	3475	193,546,959	2482	141,431,294
Others	-	-	-	8,045,405
		<u>830,121,229</u>		<u>576,002,042</u>
D) I. Opening Stocks				
a) Finished Goods				
i) Chemicals and surface- Active Agents	232	5,948,548	301	5,435,685
ii) Detergents	90	1,115,107	72	878,580
iii) Chemicals (Trade)	39	2,247,732	42	2,259,649
iv) Others	-	-	-	-
		<u>9,311,387</u>		<u>8,573,914</u>
b) Work In Progress		1,590,779		2,263,287
II. Closing Stocks				
a) Finished Goods				
i) Chemicals and surface- Active Agents	88	3,410,974	232	5,948,548
ii) Detergents	319	5,190,787	90	1,115,107
iii) Chemicals (Trade)	44	2,406,202	39	2,247,732
iv) Others	-	-	-	-
		<u>11,007,963</u>		<u>9,311,387</u>
b) Work in Progress		338,556		1,590,779

# STANDARD SURFACTANTS LTD.

		2008-2009		2007-2008	
		Qty (MT)	(Rs.)	Qty (MT)	(Rs.)
<b>E</b>	<b>Raw Materials Consumed</b>				
i	Liner Alky Benzene	198	19,689,922	264	19,412,644
ii	AOS	427	23,413,060	270	10,409,170
iii	Acid Slurry	2046	162,228,938	1431	87,620,804
iv	Soda Ash	1582	29,787,189	990	15,099,381
v	STPP	274	6,081,761	195	8,379,429
vi	Other Raw Material & Packing Material		<u>114,211,017</u>		<u>67,096,138</u>
			<u>355,411,887</u>		<u>208,017,566</u>
		Value	%	Value	%
<b>F</b>	<b>Stores Consumed</b>				
	Class of Products				
i	Imported	-	-	0	0
ii	Indigenous	3,656,538	100%	2,582,084	100%
<b>G</b>	<b>Raw Material Consumed</b>				
i	Imported	5,848,211	1.65	3,986,481	1.92
ii	Indigenous	349,563,676	98.35	204,031,085	98.08
		<u>355,411,887</u>	<u>100.00</u>	<u>208,017,566</u>	<u>100.00</u>
<b>H</b>	<b>C/F Value - Import</b>				
	Purchase of Raw Material		5,060,911		3,797,338
	Purchase of Spares & Capital Goods		917,591		NIL
<b>I</b>	<b>Expenditure in foreign currency - Interest</b>				
	(on payment basis)		6,204,586		NIL

23. Previous year's figures have been reworked or regrouped and reclassified wherever necessary

Signature to Schedules A to N

As per our report of the even date attached  
For MITTAL GUPTA & COMPANY  
*Chartered Accountants*

**B. L. Gupta**

*Partner*

M. No. 73794

Date : 29.10.2009

Place : KANPUR

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

*Chairman and Managing Director*

**Atul Kumar Garg**

*Director*

# TWENTIETH ANNUAL REPORT

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### 1. Registration Details

CIN No. L24243UP1989PLC010950 State Code 

2	0
---	---

  
 Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

  
 Date Month Year

### 2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue 

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

 Rights Issue 

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

  
 Bonus Issue 

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

 Private Placement 

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

### 3. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities 

2	6	4	2	8	3	1	7	6
---	---	---	---	---	---	---	---	---

 Total Assets 

2	6	4	2	8	3	1	7	6
---	---	---	---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital 

-	7	1	1	2	6	2	0	0
---	---	---	---	---	---	---	---	---

 Reserves and Surplus 

-	7	4	6	7	8	0	6	5
---	---	---	---	---	---	---	---	---

  
 Secured Loans 

-	9	2	3	0	1	1	0	3
---	---	---	---	---	---	---	---	---

 Unsecured Loans 

-	2	6	1	7	7	8	0	8
---	---	---	---	---	---	---	---	---

  
 Deferred Tax 

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

#### Application of Funds

Net Fixed Assets 

1	3	5	8	0	3	9	0	6
---	---	---	---	---	---	---	---	---

 Investments 

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

  
 Net Current Assets 

1	2	8	4	7	9	2	7	0
---	---	---	---	---	---	---	---	---

 Misc. Expenditure 

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

  
 Accumulated Losses 

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

### 4. Performance of Company (Amount in Rs.)

Turnover 

8	3	0	1	2	1	2	2	9
---	---	---	---	---	---	---	---	---

 Total Expenditure 

8	2	5	3	3	2	8	8	6
---	---	---	---	---	---	---	---	---

  
 Profit Before Tax 

-	-	4	7	8	8	3	4	4
---	---	---	---	---	---	---	---	---

 Profit After Tax 

-	-	4	1	0	7	6	2	7
---	---	---	---	---	---	---	---	---

  
 Earning per Share in Rs. 

0	.	5	8
---	---	---	---

 Dividend 

-	-	-
---	---	---

### 5. Generic Names of Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code) 

3	4	0	2	.	1	1
---	---	---	---	---	---	---

  
 Product Description Linear Alkyl Benzene Sulphonate  
 Item Code No. (ITC Code) 

3	4	0	2	.	9	0
---	---	---	---	---	---	---

  
 Product Description Synthetic Detergents

For and on behalf of the Board

**Pawan Kumar Garg**  
 Chairman and Managing Director

**Atul Kumar Garg**  
 Director

Date : 29.10.2009  
 Place : KANPUR

**STANDARD SURFACTANTS LIMITED**

Regd. Office : 8/15, Arya Nagar, Kanpur

**FORM OF PROXY**

I/We.....

of.....

in the District of ..... being a member/members of the Above named Company, hereby appoint..... of ..... in the District of .....

.....or failing him/her..... of..... in the

District of .....as my/our proxy to attend and vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at 8/15, Arya Nagar, Kanpur-208 002 at 11.30 A.M. on Tuesday, 29th December, 2009 and at any adjournment thereof.

As witness my/our hand/s this.....day of.....2009

Signature by the said .....

Ledger Folio No.....

No. of Shares Held.....



**Note :** The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time for holding the meeting.

(TEAR HERE)

**STANDARD SURFACTANTS LIMITED**

Regd. Office :8/15, Arya Nagar, Kanpur.

**ATTENDANCE SLIP**

(Please complete the Attendance Slip and hand it over at the entrance of the meeting hall. Please also bring your copy of the Annual Report).

I hereby record my presence at the 20th Annual General Meeting of the Company being held on Tuesday, 29th December, 2009.

Member's /proxy name (in Block Letters) .....

Signature of Shareholder/Proxy.....

Ledger Folio No. ....

No. of Shares held.....

BOOK - POST

*If undelivered, please return to :*  
**STANDARD SURFACTANTS LTD.**  
8/15, Arya Nagar,  
Kanpur-208 002

SOLAR PRESS  
KANPUR 208002