

**STANDARD SURFACTANTS LTD.**

8/15, ARYA NAGAR, KANPUR-208 002 (INDIA)

Tel. : 0512-2531762 • Fax : 0512-2548585

E-mail : headoffice@standardsurfactants.com

Website : www.standardsurfactants.com

CIN No. : L24243UP1989PLC010950

To  
BSE Limited  
P. J. Towers  
Dalal Street,  
Mumbai- 400001

01.12.2020

Dear Sir,

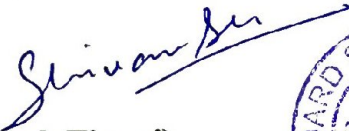
**Sub: Submission of Annual Report for the financial year ended 2019-20**

In terms of the regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we furnish herewith the Annual Report for the year ended 31.03.2020.

You are requested to take the same on record and disseminate on your website.

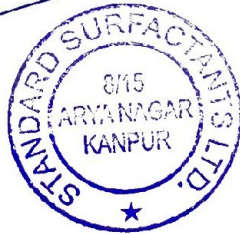
Thanking You,

For Standard Surfactants Limited



(Shivansh Tiwari)

Company Secretary



**Works :**

• 24 A & B New Sector, Industrial Area, Mandideep, Bhopal - 462 046 (M.P.)

*Annual Report*  
*2019-2020*

*Standard*

**STANDARD SURFACTANTS LTD.**

## THIRTYFIRST ANNUAL REPORT

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### NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Standard Surfactants Ltd. will be held on Wednesday the 23<sup>rd</sup> December, 2020 at 8/15, Arya Nagar, Kanpur-208002 at 02:30 P.M to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt The Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Reports of the Auditors and Board of Directors thereon; and
2. To appoint a director in place of Atul Kumar Garg (having DIN No. 00250868) who retires by rotation and being eligible, offers himself for reappointment.

#### SPECIAL BUSINESS:

3. To Alter Objects Clause of the Memorandum of Association of the Company :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time, and subject to the approval of the Registrar of Companies, Uttar Pradesh, Kanpur, following clause be inserted as point no. 5 under part (A) of Clause III (i.e. The Objects to be pursued by the Company on its Incorporation) of the Memorandum of Association of the Company:

“To carry on the business of manufacturing, buying, selling, importing, exporting, assembling, creating, producing, preparing, repairing, converting, treating, altering, marketing, distributing and otherwise dealing in all types and descriptions of plastic films and other ancillary products including but not limited to Bopet Films, Bopp Films, Metalised Films, Coated Films, holographic Films, Polyester Chips and other connected products thereof.”

4. To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), new set of Articles of Association, in conformity with Companies Act, 2013, be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions.”

5. Approval for Related Party Transactions:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with M/s Icon Polymers, a related party within the meaning of Section 2 (76) of the Act, for purchase of LAB (Linear Alkyl Benzene), Polymers and other chemical products, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 150 Crore during a single financial year, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any

## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

By order of the Board of Directors

Sd/-

PAWAN KUMAR GARG

*Chairman and Managing Director*

Place : Kanpur

Date : 13.11.2020

DIN : 00250836

Registered Office:

Standard Surfactants Limited

8/15 Arya Nagar, Kanpur-208002

CIN: L24243UP1989PLC010950

Tel. No: 0512-2531762

E-mail address: headoffice@standardsurfactants.com

Website: www.standardsurfactants.com

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. Instrument of proxies in order to be effective must be lodged with the Company's registered office not less than Forty- Eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 18<sup>th</sup> December, 2020 to Wednesday 23<sup>rd</sup> December, 2020 (both days inclusive).
3. The route map showing directions to reach the venue of the Thirty First Annual General Meeting is annexed.
4. Members who hold shares in dematerialized form are requested to write their client ID and DP ID number and those who holds shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. Members are requested to bring their attendance slip to the meeting.
6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. Recognizing the spirit of circular issued by the MCA, the Company henceforth proposes to send documents like Notice convening the General Meetings, Directors' Report, Auditors' Report, Financial Statements etc to the email address provided by

Members with their depositories.

8. To support 'Green Initiatives', the Company request the Members to expeditiously update their email addresses with their respective depository participant to ensure the annual report and other documents reach them on their preferred email. Those member who have shares in physical form are requested to expeditiously inform their email address to the Company at 8/15 Arya Nagar, Kanpur-208002, Tel.: 0512-2531762 Email: [secretarial@standardsurfactants.com](mailto:secretarial@standardsurfactants.com) or the Company's Registrar and Share Transfer Agent, The Skyline Financial Services Pvt. Ltd., D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Tel. no. 011- 64732681 to 88, Fax No.: 011-26812683. Email: [viren@skylinerta.com](mailto:viren@skylinerta.com); admin@skylinerta.com.
9. The Statement containing the balance sheet, the statement of profit and loss, cash flow statement and Auditors' Report is sent to the members.

### 10. Voting through electronic means

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, Members are provided with the facility to exercise their right to vote electronically on all resolutions set forth in the Notice of the 31<sup>st</sup> Annual General Meeting ('AGM'). Members may cast their votes by using the e-voting services provided by National Securities Depository Ltd. ('NSDL'), i.e. facility of casting votes by using an electronic voting system from a place other than the venue of the AGM ('remote e-voting').

Instructions for remote e-voting are as under:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below

- a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
- b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
- c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial

password' is communicated to you on your postal address.

- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3. Select "EVEN" of the Company.
- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

## THIRTYFIRST ANNUAL REPORT

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- 8 . Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for Shareholders:

- 1 . Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sarvesh\\_srifcs@yahoo.co.in](mailto:sarvesh_srifcs@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 2 . It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 . In case of Members whose email addresses are not registered with the Company/ Depository Participants, their User ID and initial password/ PIN is provided on the Attendance Slip sent with the AGM Notice. Please follow all the instructions mentioned above to cast your vote.
- 4 . Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 17<sup>th</sup> December, 2020, may cast their votes electronically. The e-voting period for the Members who hold shares as on the cut-off date commences on Sunday, 20<sup>th</sup> December, 2020 (9:00 am) and ends on Tuesday, 22<sup>nd</sup> December, 2020 (5:00 pm). The e-voting module shall be disabled by NSDL for voting thereafter.
- 5 . In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 6 . General instructions/ information for Members for voting on the Resolutions:
  - (a) Facility of voting through Poll paper shall be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
  - (b) Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.
  - (c) The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on 17<sup>th</sup> December, 2020 (‘Cut-Off Date’). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or of voting at the AGM.
  - (d) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 17<sup>th</sup> December, 2020, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using “[Forgot User Details/ Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (e) Mr. Sarvesh S. Srivastava (Membership No. ACS No. 7719/ COP No. 20291) Practicing Company Secretary have been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the remote e-voting process as well as voting through Poll paper at the AGM, in a fair and transparent manner.
  - (f) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.
  - (g) The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than twenty four hours from the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
  - (h) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer’s Report, declare the result of the voting. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

<https://standardsurfactants.com/> and on the website of NSDL immediately after their declaration, and communicated to the BSE Limited.

- (i) Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM, i.e. Wednesday, 23<sup>rd</sup> December, 2020 or at any adjournment thereof.

6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.

7. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required by Section 102 (1) of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relation to the business mentioned under item No. 3 to 5 of the accompanying Notice:

#### Item No. 3:

The Company intends to add business of flexible and other packaging films in its scope of operations and proposes to undertake the activity of manufacturing and/or trading of the same along with other works connected therewith. To enable the Company to commence the aforesaid business, it is proposed to amend the main objects under the objects clause of the Memorandum of Association of the Company by addition of point no. 5 under part (A) of Clause III (i.e. The Objects to be pursued by the Company on its Incorporation) of the Memorandum of Association of the Company. The above amendment would be subject to the approval of the Registrar of Companies, Uttar Pradesh, Kanpur.

The draft MOA/ AOA shall be available for inspection during the Meeting and can be inspected by Members during the business hours at the Registered Office of the Company and at the website of the company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice. The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

#### Item No. 4:

The existing Articles of Association (hereinafter referred as

AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the New Companies Act, 2013. Hence, it is considered expedient to wholly replace the existing AOA by a new set of Articles which shall be in conformity with the new Companies Act, 2013. The draft AOA shall be available for inspection during the Meeting and can be inspected by Members during the business hours at the Registered Office of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice. The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### Item No. 5:

To ensure stability of supplies in terms of quality and logistics, your Company proposes to enter into transaction(s) with M/s Icon Polymers, which is a proprietorship firm of a related party. Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution. However, these provisions are not applicable for a transaction entered into ordinary course of business and at arm's length basis but since your company believes in much transparency, approval of the shareholders is being sought for the said Related Party Transaction(s).

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with m/s Icon Polymers are as follows:

## THIRTYFIRST ANNUAL REPORT

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Sl. No.	Particulars	Remarks
1 .	Name of the Related Party	M/s Icon Polymers
2 .	Name of the Director or KMP who is related	Mr. Atul Kumar Garg and Mr. Pawan Kumar Garg.
3 .	Nature of Relationship	Mr. Atul Kumar Garg and Mr. Pawan Kumar Garg are brothers of Mr. Rakesh Kumar Garg, Proprietor of M/s Icon Polymers.
4 .	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of raw material shall be on a continuous basis. Monetary value of proposed aggregate transaction(s) during any single financial year shall not increase Rs. 150 Crores.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Period of Contract will be of 5 years.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

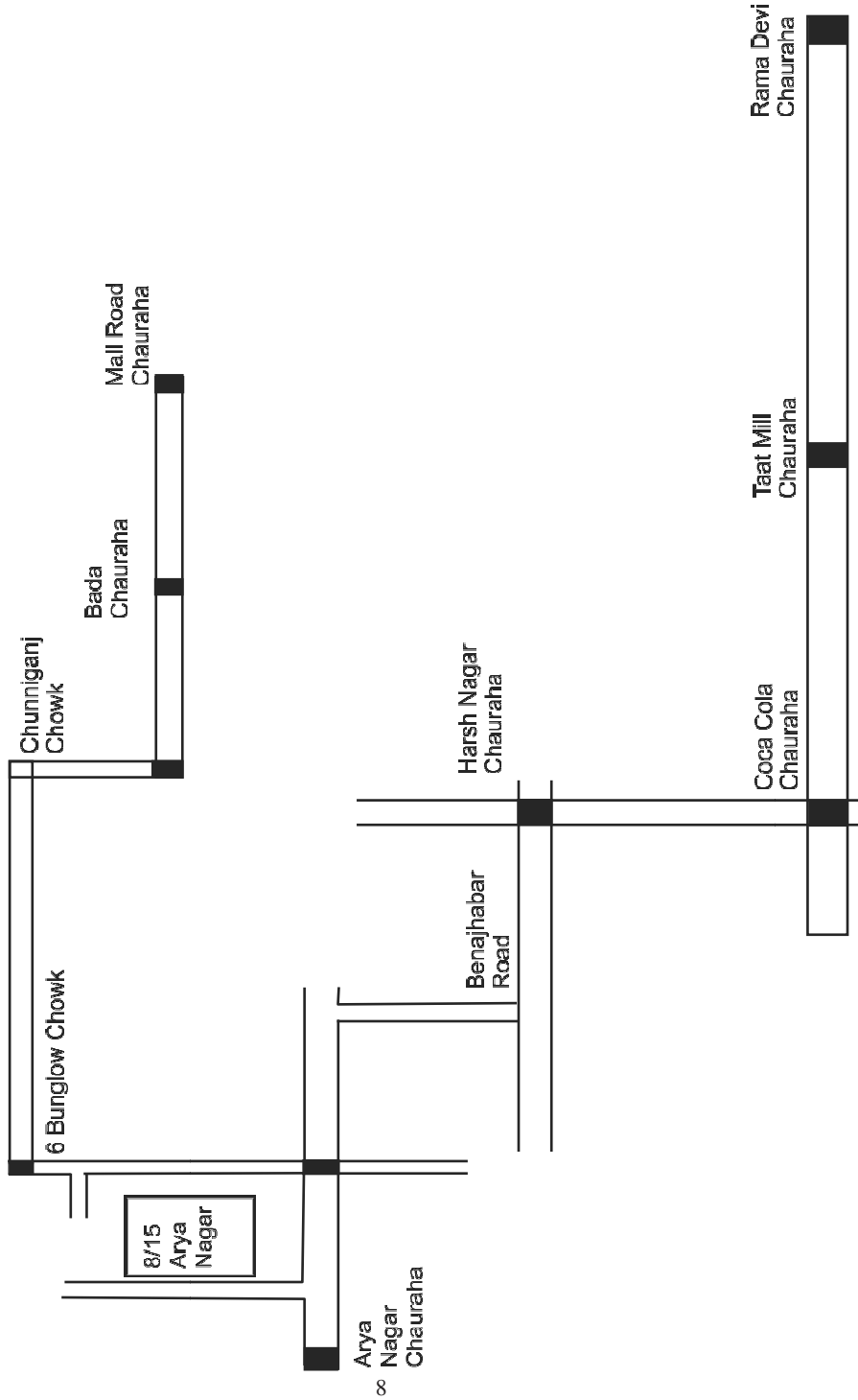
By order of the Board of Directors  
For Standard Surfactants Limited

PAWAN KUMAR GARG  
*Chairman and Managing Director*  
DIN : 00250836

Place : Kanpur  
Date : 13.11.2020



**ROUTE MAP-VENUE OF ANNUAL GENERAL MEETING  
STANDARD SURFACTANTS LIMITED  
TO BE HELD AT 8/15, ARYA NAGAR, KANPUR**



**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

# THIRTYFIRST ANNUAL REPORT

## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors present the Thirty First Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

	(Rs. in Lacs)	
	Current year ended on 31.03.2020	Previous Year ended on 31.03.2019
Revenue from Operations	8261.07	11724.24
Other Income	12.59	29.39
<b>Total Revenue</b>	<b>8273.66</b>	11753.63
Profit before Interest and depreciation	211.11	298.48
Finance Cost	101.64	129.17
Depreciation	42.70	45.21
<b>Profit/(Loss) before tax</b>	<b>66.77</b>	124.10
<b>Profit/(Loss) before exceptional items</b>	<b>86.46</b>	<b>124.10</b>
<b>Tax Expenses-</b>		
Current Tax	19.34	36.49
Deferred Tax	(22.73)	4.16
Profit for the period	89.85	83.45
Other comprehensive income	(3.89)	(0.41)
<b>Total comprehensive income for the period</b>	<b>85.96</b>	<b>83.04</b>

### OPERATIONAL REVIEW:

During the year under review following were the operational performance of the company:

- i. Revenue from operations decreased from Rs. 11724.24 Lacs to Rs. 8261.07 Lacs in comparison to previous year (according to IND- AS Financial Statements).
- ii. Net profit of the company has increased from Rs. 83.04 Lacs to Rs. 85.96 Lacs.
- iii. Finance cost decreased from Rs. 129.17 Lacs to Rs.101.64 Lacs in the previous year.
- iv. Depreciation and amortization expenses decreased from Rs. 45.21 lacs to 42.70 lacs.

### DIVIDEND:

Based on Company's performance and in order to conserve

resources, your Directors do not recommend any dividend for the year.

### PROSPECTS:

Your Company continues to do technological up gradation in its plant and machinery and continues to expand the Trade division for better performance of the Company. However, productivity and profitability of the Company precisely depend on overall economic scenario.

### PUBLIC DEPOSITS:

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

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS:

During the year under review, there was no change in the board of directors of the company.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

Further, Mr. Atul Kumar Garg is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. Garg, aged 66 years, is a commerce graduate. He has been managing the company's administration since inception.

During the year, your Company has conducted four meetings of the Board of Directors.

### DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of Companies Act, 2013 and the relevant rules.

### CORPORATE GOVERNANCE:

Your Company has always endeavored to adhere to high standards of Corporate Governance and ensured its compliance in both spirit and law. However, Your Company is claiming exemption under regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

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

The Company has taken adequate steps during the year regarding conservation of energy which has resulted in less consumption of electricity. The particulars relating to the Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo as required u/s 134 (3) (m) of the Companies Act, 2013 are enclosed as Annexure- A which forms part of this Report.

### PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is enclosed as annexure-B which forms part of this report.

Further, there are no employee getting salary in excess of the limit as specified under the provisions of Section 197 (12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in Form MGT-9 are available

at website of the company at <https://standardsurfactants.com/> in terms of provisions of Companies (Amendment) Act, 2017.

### LISTING:

The Equity Share of the Company continued to be listed at BSE Ltd.

### AUDITORS:

#### i) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Atul Garg & Associates, Chartered Accountants (ICAI Firm Registration No. 01544C), were appointed as statutory auditors of the Company from the conclusion of Twenty Eighth Annual General Meeting held on 28-09-2017 till the conclusion of 33<sup>rd</sup> Annual General Meeting to be held in the year 2022. The Statutory Auditors have confirmed that they are eligible to continue as the Statutory Auditors of the Company in accordance with the provisions of the Companies Act, 2013.

Further, the Comments made in the Auditor's Report are self explanatory and need no further elucidation.

#### ii) ) SECRETARIAL AUDITORS

The Company has appointed Sarvesh S. Srivastava, Practicing Company Secretaries as the Secretarial Auditors of your Company for the Financial Year 2019-20. The Secretarial Audit Report is annexed as Annexure -C which forms part of this Report.

Further, the Comments made in the Secretarial Auditor's Report are self explanatory and need no further elucidation.

#### iii) INTERNAL AUDITORS:

The Company has appointed M/s Nivedita and Associates, Chartered Accountants, Kanpur as the Internal Auditors of the Company for the year 2019-20. Their report was placed before the Audit Committee of the Company from time to time.

### AUDIT COMMITTEE:

Shri Pramod Kumar Mishra is the Chairman of the Audit committee of the company. Other than him, Dr. Rajinder Pal Singh and Mr. Pawan Kumar Garg are members of the Audit Committee. The Audit Committee met 4 times during the year.

## THIRTYFIRST ANNUAL REPORT

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### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate system of internal control with reference to the financial statements. All the transactions are properly authorized, recorded and reported to the Management. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with Accounting Standards for properly maintaining the books of accounts and reporting financial statement.

### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations, 2015) as of March 31, 2020. The statutory auditors of the Company has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of the Companies Act 2013).

### **CORPORATE SOCIAL RESPONSIBILITY:**

CSR in terms of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility (Rules), 2014 is not applicable to the company.

### **PARTICULARS OF LOANS, GURANTEES OR INVESTMENTS:**

Details of Loans and Investments have been provided in the financial statement of the company which forms part of this annual report.

### **VIGIL MECHANISM (WHISTLE BLOWER POLICY):**

In pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosures Requirement), 2015, a Vigil Mechanism for directors and employee to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy has been established.

### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation

to the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

### **BUSINESS RISK MANAGEMENT:**

Our Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, operational, and legal and compliance risks to achieving our key business objectives. The details and its terms of reference are set out in the Management Discussion and Analysis which form part of this report.

### **BOARD EVALUATION:**

The Board annually evaluates its performance as well as the performances of its Committees and Directors individually. For evaluating the performance of the Whole Time Directors is evaluated by the Board by linking it directly with their devotion towards implementation and management of the growth parameters of the Company and actual performance and future plans as set out from time to time. Further, the performance of the various Committees of the Board is reviewed on the basis of the achievement of the work designated to the specific committee.

### **RELATED PARTY TRANSCATIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Form AOC-2 is annexed as Annexure -D which forms part of this Report.

### **COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee which periodically evaluates the requirement for changes in the composition and size of the Board, review remuneration of the Managing Director and Whole-time Director(s) based on their performance and Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with performance of the Company and industry trend. The policy is available at the website of the company.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

### HUMAN RESOURCES

Our Vision and values form the basis of our attitudes and actions. Mutual trust and respect are essential for successful cooperation, which your company demonstrates 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.

### CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website [www.standard surfactants.com](http://www.standard surfactants.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### DIRECTOR'S RESPONSIBILITY STATEMENTS:

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 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 staffs, during the year.

By order of the Board  
For STANDARD SURFACTANTS LTD.

PAWAN KUMAR GARG  
*Chairman & Managing Director*  
DIN No. 00250836

ANKUR GARG  
*Whole time Director*  
DIN No. 00616599

Place : Kanpur  
Date : 13.11.2020

# THIRTYFIRST ANNUAL REPORT

## Annexure 'A'

### TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2020

#### CONSERVATION OF ENERGY :

CONSERVATION OF FUEL CONSUMPTION	Current Year	Previous Year
<b>1) ELECTRICITY</b>		
(A) Purchased:		
Unit	1254404	1557404
Amount(cost)	10322278	11418262
Rate/Unit	8.23	7.33
(B) Own Generation		
(I) Through Diesel Generator		
Unit Generated	28092	26140
Amount(Cost)	723279.50	656749.68
Cost/Unit	25.75	25.12
(II) Through Steam Turbine:	Not Used	Not Used
Unit	-	-
Unit per litre of fuel Oil/Gas	-	-
<b>(2) COAL/WOOD/Brequetts</b>		
(Used in Boiler)		
Qty. Consumed (Kg.)	555004	593838
Amount(Cost)	2956935	3073641
Cost/Unit	5.33	5.18
<b>(3) FURNANCE OIL</b>		
(Used in Boiler)		
Unit Consumed (Ltrs.)	17759	15211
Amount(cost)	701709	512672.59
Cost/Unit	39.51	33.70
TECHNOLOGY ABSORPTION		
FOREIGN EXCHANGE EARNINGS:	Nil	Nil
FOREIGN EXCHANGE EARNINGS OUTGO:	8,88,82,136	20,14,22,752

**Note:** Qty of HSD 4650 Ltr amounting Rs. 3,28,616/- used in Pre Heating of Plant reduced from Consumption during the year

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Annexure 'B'****STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information required under Section 197 of the Companies Act 2013 and the Rules made there-under, in respect of employees of the Company are as follows:-

- a) The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2019-20 are as under:

Director	Designation	Remuneration of Directors in Financial Period 2019-20	Ratio of Remuneration to Median Remuneration of Employees
Mr. Pawan Kumar Garg	Chairman & Managing Director	12,00,000	6.71
Mr. Atul Kumar Garg	Whole Time Director	12,00,000	6.71
Mr. Ankur Garg	Whole Time Director	12,00,000	6.71

- b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

Director/KMP	Designation	Remuneration of Directors in Financial Period 2019-20	% Increase in Remuneration
Mr. Pawan Kumar Garg	Chairman & Managing Director	12,00,000	Nil
Mr. Atul Kumar Garg	Whole Time Director	12,00,000	Nil
Mr. Ankur Garg	Whole Time Director	12,00,000	Nil
Mr. Dharendra Kumar Gupta	Chief Financial Officer	3,12,000	Nil
Mr. Shivansh Tiwari	Company Secretary	5,47,000	11.28

- c) The percentage increase in the Median Remuneration of Employees in the financial period was 28.08%
- d) The number of Permanent Employees on the Rolls of Company as on 31st March, 2020 was 60.
- e) The average increase in salaries of employees in 2019-20 was 2.63%.
- f) The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

FORM No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
Standard Surfactants Limited  
CIN : L24243UP1989PLC010950  
Regd. Off. 8/15, Arya Nagar, Kanpur-208002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Standard Surfactants Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Standard Surfactants Limited for the financial year ended on 31st March,2020 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - a) The Securities and Exchange Board of India(Substantial Acquisition of Shares And Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the audit period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; (not applicable to the company during the audit period)



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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

(vi) Management has identified and confirmed the following laws as specifically applicable to the Company and timely compliance thereof has been made. :

1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made There under.
2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
3. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
4. Factories Act, 1948 and allied State Laws
5. Hazardous waste (Management and Handling ) Rules 1989.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meeting and General Meeting
- (ii) The Listing Agreements\entered into by the Company with BSE Limited, and
- (iii) SEBI(Listing Obligations and Disclosure Requirements) Regulation,2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting carried through unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guideline show ever the compliance reports were not submitted to the Board in time.

We further report that during the audit period the company has

- i) No instances of Public/Right/Preferential issue of shares /debentures/sweat equity, etc.
- ii) No instances of Redemption / buy-back of securities.
- iii) No major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv) No instances of Mergers/ Amalgamations/ Reconstruction etc.
- v) No instances of Foreign Technical Collaboration

Place : Kanpur  
Date : 13.11.2020

For Sarvesh S.Srivastava  
*Company Secretaries*  
(Sarvesh S.Srivastava)  
*Proprietor*

ACS No. :7719  
C.P.No. : 20291

UDIN-A007719B001329041

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## THIRTYFIRST ANNUAL REPORT

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To,  
The Members  
Standard Surfactants Limited  
CIN :L24243UP1989PLC010950  
Regd. Off. 8/15, Arya Nagar, Kanpur-208002  
Our report of even date is to be read along with this letter

**Annexure 'A'**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Sarvesh S. Srivastava  
*Company Secretaries*  
(Sarvesh S. Srivastava)  
*Proprietor*

Place : Kanpur  
Date : 13.11.2020

ACS No. : 7719  
C.P.No. : 20291

### **COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY (Pursuant to Regulation 34 Read with Schedule V)**

To,

The Members of Standard Surfactants Limited. KANPUR.

1. We have examined the compliance of conditions of Corporate Governance by STANDARD SURFACTANTS LIMITED ("the Company"), for the year ended on March 31, 2020, as stipulated in Clause 49 of the Listing Agreements of the Company with stock exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of Regulations
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
3. We have examined the relevant records of the company and in our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that in terms of the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the Regulations, Company has been exempted from making compliance with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI (LODR) Regulations, 2015 **as the paid up equity share capital of the company does not exceed Rs. 10.00 crore and net worth of the company does not exceed Rs. 25.00 crore during the Financial Year 2019-20 as well as on the last day of the said Financial Year.**

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

PLACE : KANPUR  
DATE : 13.11.2020

For SARVESH S. SRIVASTAVA  
*Company Secretaries*  
CP No. 20291  
UDIN-A007719B001329149

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

## Annexure 'D' to the Directors' Report

## Form AOC-2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transaction not at arm's length basis:

Name of the Related party	Nature of Relationship	Nature of Contracts / arrangement / transaction	Duration of the Contracts / arrangements / transaction	Salient terms of the contracts or arrangements / or transaction including the value, if any	Justification for entering into such Contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advanced, if any	Date on which the resolution was passed in general meeting as required under first proviso to section 188
---NIL---								

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business, However, Details of the same are given in Note No. 36 of the financial statements which forms a part of the Annual Report.						

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To the Members of STANDARD SURFACTANTS LIMITED

Pursuant to Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, I hereby declare that all the members of the Board and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2020.

For STANDARD SURFACTANTS LIMITED

Place : Kanpur  
Date : 13.11.2020PAWAN KUAMR GARG  
*Chairman and Managing Director*  
DIN No. 00250836**CERTIFICATION BY THE CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY**

I, Pawan Kumar Garg, Chairman &amp; Managing Director of M/s Standard Surfactants Limited do hereby certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year and to the best of my knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and Regulations
- b) There are to the best of my knowledge and belief, no transactions entered into by Standard Surfactants Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls for financial reporting of Standard Surfactants Limited and I have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies' in the design or operation of such internal controls , if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes if any, in internal control over financial reporting during the year
  - ii. Significant changes if any, in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements. And
- e) I affirm that I have not denied any personnel access to the Audit Committee of the company in respect of matters involving alleged misconduct, if any.
- f) I further declare that all Board members and senior management have affirmed compliance with the code of conduct for the current year.

For STANDARD SURFACTANTS LIMITED

DHIRENDRA KUMAR GUPTA  
*Chief Financial Officer*PAWAN KUMAR GARG  
*Chairman and Managing Director*  
DIN No.00250836Place : Kanpur  
Date : 13.11.2020

# THIRTYFIRST ANNUAL REPORT

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2019-20

### (i) Industry structure and developments:

Your company is primarily engaged in the business of manufacturing of Surface Active Agents and Consignment Stockiest of Indian Oil Corporation Limited. The year 2019-20 has been a challenging year that saw the plunge in GDP growth primarily due to a sharp deceleration in investment growth. The onset of COVID-19 pandemic has only compounded the situation. However, the company has been committed to grow manufacturing and trading activities during the year under review.

### (ii) Opportunities and Threats:

Being a manufacturer of Surface Active Agents and other related products, the growth potential of the industry has been increased substantially in the current era of COVID-19 where every individual is concerned about the hygiene. In addition to this, Indian surface active industry is also willing to meet the huge domestic demand through import substitution and the same shall be very beneficial for the Indian surface active industry.

On the other side, logistics, market coverage, sales monitoring, and channel management becomes challenging and will play crucial role for the sustained viability and continuing success of the Company's businesses.

### (iii) Segment wise or product wise performance:

The Company operates in two primary business segments viz. Manufacturing of Surface Active Agents and Consignment Stockiest of Indian Oil Corporation Limited, for High Density Polyethylene, Linear Low Density Polyethylene, Poly Propylene, Paraffin wax and other petroleum products. Further, Segment wise or product wise performance are self explanatory under Note no. 35 of the Financial Statements which forms a part of the Annual Report, which are self explanatory and need no further comments.

### (iv) Outlook:

The global surface active market is expected to grow considerably owing to its vast applications in sectors such as home care, Agro industries and other connected fields. Surfactants reduce the surface tension of the liquid and remain stable in solutions containing relatively high concentration of electrolytes. Owing to these characteristics, the surface active agents are being used as hard surface cleaners, in textile scouring, and as metal cleansers. Further, In developing countries such as India and China, demand for personal care products is increasing due to expanding middle-class consumer base and rising disposable income of general populace, which in turn is driving the market.

### (v) Risk and concerns:

The risks that may affect the functioning of the Company include, but are not limited to :

- Economic conditions;
- Increasing cost of raw materials and logistics;
- Volatile forex fluctuations;
- Competitive market conditions;

Your Company has a defined risk management strategy with senior management identifying potential risk, evolving mitigation responses and monitoring the occurrence of risk. The risks are identified on a regular basis, across functions and business segments and the Company strives to link each risk with mitigation step to ensure business continuity.

### (vi) Internal Control System:

The Company's Internal Financial Control framework is commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of Corporate Policies.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

**(vi) Financial and Operational Performance:**

The Director's Report has specifically dealt with subject matter the headings 'Operational Review'.

**(vii) Human Resources:**

The Company follows the core values of "be thorough on safety first and compliance" and takes great pride in being compliant to all laws and regulations governing labour and employees and continues to exercise strong governance over all established procedures and practices. Your Company endeavors that the conduct of all operations are in such manner so as to ensure safety of all the employees. The Company maintained harmonious industrial relations in the Company during the financial year 2019-20.

**(viii) Cautionary Statement:**

The statements made in this report describe the company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies, tax regime and other incidental factors, price conditions, domestic and international markets which are beyond the control of the company.

**(ix) Significant changes in Key Financial Ratios:**

There was change of more than 25% in Net Profit Margin during the year. This was due to benefit of Deferred Tax amounting to Rs. 22,73,158 during the financial year i.e. 2019-20.

**For Standard Surfactants Limited**

Place : Kanpur  
Date : 13.11.2020

ANKUR GARG  
*Whole-time-Director*  
DIN No. 00616599

PAWAN KUMAR GARG  
*Chairman & Managing Director*  
DIN No. 00250836

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

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# **A C C O U N T S**

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**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
STANDARD SURFACTANTS LIMITED  
Kanpur

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the Financial statements of **Standard Surfactants Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') read together with the independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial statements and our auditors' report thereon. The aforesaid report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the company's annual report and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall take appropriate actions, if required.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial



## THIRTYFIRST ANNUAL REPORT

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performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. . As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. . As required by Section 143(3) of the Act, based on our report, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, we report that :

The remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Financial Statements. Refer Note - 33 to the Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For ATUL GARG & ASSOCIATES,**  
*Chartered Accountants*  
Firm Regn. No.: 001544C

**FIZA GUPTA**  
*Partner*

Membership No.429196  
UDIN: 20429196AAAAU9648

Place : Kanpur  
Date : July 10, 2020

## THIRTYFIRST ANNUAL REPORT

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### “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in our report of even date to the members of Standard Surfactants Limited on the Financial Statements for the year ended March 31, 2020, we report that:

- (i) (a) In our opinion and according to the information and explanation given to us during the course of audit, the company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) In our opinion and according to the information and explanation given to us during the course of audit, property, plant and equipment have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
- (c) According to the information and explanations given to us and on the basis of records examined by us, the title deeds of the immovable properties are held in the name of the company.
- (ii) In our opinion and according to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals having regard to the size of the company and no material discrepancy was noticed on such verification as compared to book records.
- (iii) In our opinion and according to the information and explanation given to us during the course of audit, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub clauses (a), (b) & (c) of paragraph 3(iii) the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us during the course of audit, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) According to the information and explanations given to us, in our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder in respect of deposits accepted during the year. As informed 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 in this connection.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 under section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, Goods & Service Tax, customs duty, excise duty, cess and other material statutory dues, applicable, to it with the appropriate authorities. There are no undisputed statutory dues as referred to above as at March 31, 2020 outstanding for a period of more than six months from the date they become payable
- (b) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no dues of income tax or sale tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except mentioned in **Annexure-A1**.
- (viii) According to the information and explanations given to us and the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans and borrowings to any financial institution, bank and government during the period. The Company has not borrowed any money by way of issue of debentures.
- (ix) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the money raised by the Company by way of term loans have been applied for the purposes for which they were obtained. The company did not raise any money by way of initial public offer or further public offer during the current year.

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

- (x) To the best of our knowledge and according to the information and explanation given to us no fraud by the company or on the company, by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us during the course of audit, the company has paid managerial remuneration in accordance with the requisite approvals as mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanation given to us during the course of audit, the company is not a Nidhi company. Therefore, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not entered into non- cash transaction with directors or persons connected with him. Therefore paragraph 3(xv) Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us during the course of audit, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For ATUL GARG & ASSOCIATES,**  
*Chartered Accountants*  
Firm Regn. No.: 001544C

**FIZA GUPTA**  
*Partner*

Place : Kanpur  
Date : July 10, 2020

Membership No.429196  
UDIN: 20429196AAAAU9648

**Annexure A1 to the Independent Auditors' Report:**

**(Referred to in paragraph vii (b) under 'Annexure A to the Independent Auditors Report section of our report of even date)**

Contingent Liabilities	As at 31.03.2020 (Rs. in Lacs)	As at 31.03.2019 (Rs. in Lacs)
(a) Excise Duty Demand in dispute, Rania, Kanpur	2.25	2.25
(b) Central Sales Tax Demand in dispute, Trade Kanpur	13.10	13.19
(c) Trade tax Demand in dispute, Trade Kanpur	1.39	10.24
(d) Entry tax Demand in dispute, Trade Kanpur	4.04	4.04
(e) Trade Tax (CST), Mandideep, Bhopal	16.49	16.49
(f) Trade Tax State (MPST), Mandideep, Bhopal	5.77	2.82
(g) Entry Tax Demand in dispute, Mandideep, Bhopal	3.01	3.01
<b>Total</b>	<b>46.05</b>	<b>51.95</b>

Details of Pending Cases and disputed amount before Adjudicating Authority of Central Excise, Service Tax and Trade tax/ Sales tax department/ authority.

Particulars	Financial Year to which matter pertains	Adjudicating authority where dispute is pending	Unit	Amount (Rs. in lacs) FY 2019-20
(A) Central Excise duty/ Penalty in dispute, Kanpur Unit	2004-05	Hon'ble High Court, Allahabad	Rania Kanpur	2.25
(B) Central Sales Tax Demand Kanpur Unit	2007-08 (01.04.2007 To 31.12.2008)	Central Appeal in Tribunal	Trade Kanpur	<b>Total (A)</b> 5.13

## THIRTYFIRST ANNUAL REPORT

	2007-08 (01.04.2007 To 31.12.2008)	Central Appeal in Tribunal	Trade Kanpur	4.22
	2008-09	Central Appeal in Tribunal	Trade, Kanpur	3.73
	2010-11	Order No.6455 dt.31.03.2014	Trade, Kanpur	0.02
			<b>Total (B)</b>	<b>13.1</b>
(C) Trade Tax in Dispute Kanpur Unit	2008-09	Before the commercial Tax Tribunal	Trade, Kanpur	0.26
	2010-11	Order No. 304 Dt.06-11-2015	Trade, Kanpur	1.13
			<b>Total (C)</b>	<b>1.39</b>
(D) Entry tax demand in dispute Kanpur Unit	2005-06	Case Reopen	Trade, Kanpur	4.04
			<b>Total (D)</b>	<b>4.04</b>
(E) Trade tax (CST) Mandideep, Bhopal	2001-2002	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	1.88
	2003-2004	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	3.25
	2006-2007	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	0.50
	2009-2010	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	0.02
	2010-2011	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	3.15
	2011-2012	CTO Commercial Tax, Mandideep	(SPL Div.)	1.87
	2012-2013	CTO Commercial Tax, Mandideep	(SPL Div.)	0.67
	2013-2014	CTO Commercial Tax, Mandideep	(S03 Div.)	4.87
	2015-2016	CTO Commercial Tax, Mandideep	(SPL Div.)	0.02
	2015-2016	CTO Commercial Tax, Mandideep	(S03 Div.)	0.26
			<b>Total (E)</b>	<b>16.49</b>
(F) Trade tax state(MPST) Mandideep, Bhopal	2009-2010	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	0.02
	2010-2011	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	0.92
	2011-2012	Dy Comm Commercial Tax, Bhopal	(SPL Div.)	0.30
	2011-2012	CTO Commercial Tax, Mandideep	(S03 Div.)	1.02
	2015-2016	CTO Commercial Tax, Mandideep	(SPL Div.)	0.02
	2015-2016	CTO Commercial Tax, Mandideep	(S03 Div.)	0.54
	2016-2017	CTO Commercial Tax, Mandideep	(S03 Div.)	0.54
			<b>Total (F)</b>	<b>2.82</b>
(G) Entry tax demand in dispute Mandideep, Bhopal	2009-2010	Dy Comm Commercial Tax ,Bhopal	(SPL Div.)	1.76
	2010-2011	Dy Comm Commercial Tax ,Bhopal	(SPL Div.)	1.25
			<b>Total (G)</b>	<b>3.01</b>
		<b>Grand total of A+B+C+D+E+F+G</b>		<b>46.05</b>

Note: No Other cases are pending as on 31.03.2020

### Annexure - 'B' to the Independent Auditor's Report

Annexure B to the Independent Auditors' Report on the Financial Statements of the Standard Surfactants Limited for the year ended March 31, 2020

Report on the Internals Financial Controls with reference to aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial controls over financial reporting of Standard Surfactants Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For ATUL GARG & ASSOCIATES,**  
*Chartered Accountants*  
Firm Regn. No.: 001544C

**FIZA GUPTA**  
*Partner*

Place : Kanpur  
Date : July 10, 2020

Membership No.429196  
UDIN: 20429196AAAAU9648

# THIRTYFIRST ANNUAL REPORT

## STANDALONE BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>ASSETS</b>			
<b>(1) Non – current assets</b>			
(a) Property, plant and equipment	4.1	61,067,470	64,429,311
(b) Right-of-Use Asset	4.2	726,367	-
(c) Capital work – in – progress		-	-
(d) Investment Property	4.3	6,384,812	2,024,812
(e) Intangible assets		-	-
(f) Financial assets		-	-
(i) Investments	5	-	-
(ii) Loans	-	-	-
(iii) Others Non-Current financial assets	6	3,439,963	4,235,364
(g) Deferred tax asset (net)		-	-
(h) Other non – current assets	7	2,193,638	5,624,225
Sub total (Non current assets)		<u>73,812,250</u>	<u>76,313,712</u>
<b>(2) Current assets</b>			
(a) Inventories	8	32,314,219	47,659,054
(b) Financial assets		-	-
(i) Investments	5	-	9,400,000
(ii) Trade receivables	9	170,279,449	211,972,225
(iii) Cash and cash equivalents	10	8,431,698	25,766,972
(iv) Bank Balances other than (iii) above	11	80,742,653	4,994,534
(v) Loans		-	-
(vi) Others Current financial assets	6	10,304,330	12,109,376
(c) Other current assets	12	37,752,674	22,064,035
(d) Assets classified as held for sale		-	-
(e) Current tax (net)	21	1,224,752	-
Sub total (Current assets)		<u>341,049,775</u>	<u>333,966,196</u>
Total assets		<u>414,862,025</u>	<u>410,279,908</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	71,126,200	71,126,200
(b) Other equity	14	82,705,919	74,109,878
Sub total (Equity)		<u>153,832,119</u>	<u>145,236,078</u>
<b>LIABILITIES</b>			
<b>(1) Non – current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15(i)	18,065,015	7,287,490
(ii) Trade payables		-	-
(A) total outstanding due of micro enterprises and small enterprises; and		-	-
(B) total outstanding due of creditors other than micro enterprises and small enterprises		-	-
(iii) Other Non- Current financial liabilities		-	-
(b) Provisions	16(i)	3,851,732	3,423,927
(c) Deferred tax liabilities (net)	17	3,910,396	6,298,381
(d) Other non –current liabilities		-	-
Sub total (Non current liabilities)		<u>25,827,143</u>	<u>17,009,798</u>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15(ii)	176,143,164	170,924,521
(ii) Trade payables	18	-	487,379
(A) total outstanding due of micro enterprises and small enterprises; and		-	-
(B) total outstanding due of creditors other than micro enterprises and small enterprises		42,606,179	61,871,682
(iii) Other Current financial liabilities	19	483,831	4,876,393
(b) Other current liabilities	20	10,897,424	6,467,773
(c) Provisions	16(ii)	5,072,165	1,879,251
(d) Current tax liabilities (net)	21	-	1,527,034
Sub total (Current liabilities)		<u>235,202,763</u>	<u>248,034,034</u>
Total Equity & Liabilities		<u>414,862,025</u>	<u>410,279,908</u>
Corporate Information	1		
Significant accounting Policies and Estimates	2-3		
Other Disclosures	30-41		

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

As per our report of the even date attached

For ATUL GARG & ASSOCIATES

Chartered Accountants

Firm Regn. No.: 001544C

**Fiza Gupta**

Partner

M. No. 429196

Date : 10.07.2020

Place : KANPUR

**Dhirendra Kumar Gupta**

Chief Financial Officer

**Shivansh Tiwari**

Company Secretary

30

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

Chairman & Managing Director

DIN : 00250836

**Ankur Garg**

Whole-time Director

DIN : 00616599

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	Note No.	Year Ended 31.03.2020 Rs.	Year Ended 31.03.2019 Rs.
<b>I. Revenue from operations</b>	<b>22</b>	<b>826,107,267</b>	1,172,423,836
<b>II. Other income</b>	<b>23</b>	<b>1,259,312</b>	2,939,148
<b>III. Total income (I + II)</b>		<b>827,366,579</b>	1,175,362,984
<b>IV. Expenses</b>			
Cost of materials consumed		279,292,724	262,770,318
Purchase of stock in trade	24	409,251,713	767,359,475
“Changes in inventories of finished goods, stock - in - trade and work - in - progress”	25	18,553,984	(19,193,120)
Employee benefits expenses	26	19,709,288	18,795,820
Finance costs	27	10,164,122	12,916,903
Depreciation and amortization expenses	4.1	4,270,242	4,521,155
Other expenses	28	79,447,951	115,782,169
Total expenses (IV)		<b>820,690,024</b>	1,162,952,720
<b>V. Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>6,676,555</b>	12,410,264
<b>VI. Exceptional items</b>		<b>1,969,331</b>	-
<b>VII. Profit / (loss) before tax (V - VI)</b>		<b>8,645,886</b>	12,410,264
<b>VIII. Tax expense</b>			
(1) Current tax-	29		
Current tax		1,934,203	3,648,948
(2) Deferred tax		(2,273,158)	415,927
		<b>(338,955)</b>	4,064,875
<b>IX. Profit / (loss) for the period (VII - VIII)</b>		<b>8,984,841</b>	8,345,389
<b>X. Other comprehensive income</b>			
A. (i) Items that will not be reclassified to profit or loss			
— Remeasurement Benefit of defined obligation		(503,626)	(56,351)
— Change in Fair value of FVOCI equity investments			
(ii) Income tax relating to items that will not be reclassified to profit or loss		114,827	15,677
B. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		(388,799)	(40,674)
<b>XI. Total comprehensive income for the period (IX + X)</b>		<b>8,596,042</b>	8,304,715
<b>XII. Earnings per equity share</b>			
Basic & Diluted	30	1.26	1.17

The accompanying notes form an integral part of the financial statements  
This is the Statement of Profit and loss referred to in our report of even date

As per our report of the even date attached  
For ATUL GARG & ASSOCIATES  
Chartered Accountants  
Firm Regn. No.: 001544C  
**Fiza Gupta**  
Partner  
M. No. 429196  
Date : 10.07.2020  
Place : KANPUR

**Dhirendra Kumar Gupta**  
Chief Financial Officer  
**Shivansh Tiwari**  
Company Secretary

For and on behalf of the Board of Directors

**Pawan Kumar Garg**  
Chairman & Managing Director  
DIN : 00250836  
**Ankur Garg**  
Whole-time Director  
DIN : 00616599



## THIRTYFIRST ANNUAL REPORT

### STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

	Rs. in Lacs For the Year 2019-2020	Rs. in Lacs For the Year 2018-2019
<b>A : CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and exceptional items as per P&L Account	86.46	124.10
	<u>86.46</u>	<u>124.10</u>
Adjusted for :		
Depreciation on Fixed Assets	42.70	45.21
(Profit)/Loss on sale of Assets	2.83	2.48
Foreign Exchange Forward Risk Premium		-
Discount	0.72	0.58
Bad Debts/Balance Written Off	25.80	31.24
Balances Written Back	-7.88	-19.83
Interest Expenses	90.54	115.43
Foreign Exchange Difference (Net)	-1.44	-12.34
Interest Received	-6.90	-21.48
Rental Income	-30.32	-
Income from sale of land	-42.44	-
Loss on sale of share of mutual funds	0.30	-
Loss on sale of share of Associate	22.75	
<b>Operating Profit before Working Capital changes adjusted for :</b>	<u>183.11</u>	<u>265.40</u>
(Increase)/Decrease in Trade Receivable	398.29	-76.15
(Increase)/Decrease in Other Financial Assets & Other Assets	-138.50	-16.88
(Increase)/Decrease in Inventories	153.45	-52.04
Increase/(Decrease) in Trade Payable	-196.09	139.07
(Increase)/Decrease in Other Financial Liabilities & Other Liabilities	4.73	-19.82
Increase/(Decrease) in Short Term & Long Term Provision	31.17	
<b>Cash generated from operations</b>	<u>436.15</u>	<u>239.59</u>
Income Tax (Paid)/ Refund	-46.86	-31.74
Net Cash from/(used in) Operating Activities	<u>389.29</u>	<u>207.85</u>
<b>B : CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in FDR pledged against margin money	-715.55	25.25
Purchase of Investments	-	29.00
Purchase of Investments Property	-13.28	-
Purchase of Property, Plant and Equipment	-	-43.46
Bank Deposits Placed	20.76	-3.10
Sale of Property, Plant and Equipment	23.26	2.25
Interest Received	-35.29	20.12
Sale of investment	70.95	-
Capital advance	21.44	-
Net Cash from/(used in) Investing Activities	<u>-627.71</u>	<u>-27.94</u>

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

	Rs. in Lacs For the Year 2019-2020	Rs. in Lacs For the Year 2018-2019
<b>C : CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	107.78	255.00
Repayment of Long Term Borrowings	-	-310.06
Net increase/(decrease) in Short Term Borrowings	47.83	151.37
Interest Paid	-90.54	-115.43
<b>Net Cash from/(used in) Financing Activities</b>	<b>65.06</b>	<b>-19.12</b>
Net increase/(decrease) in Cash & Cash Equivalents	-173.35	160.79
Opening Balance of Cash & Cash Equivalents	257.67	96.88
Closing Balance of Cash & Cash Equivalents	<b>84.32</b>	<b>257.67</b>

**CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Balance with Banks:</b>		
On Current Account	7,297,897.00	23,508,470.00
Cash in Hand	1,133,801.00	2,258,502.00
Total	<b>8,431,698.00</b>	<b>25,766,972.00</b>

The accompanying notes form an integral part of the financial statements  
This is the Statement of change in equity referred to in our report of even date

As per our report of the even date attached  
For ATUL GARG & ASSOCIATES

*Chartered Accountants*

Firm Regn. No.: 001544C

**Fiza Gupta**

*Partner*

M. No. 429196

Date : 10.07.2020

Place : KANPUR

**Dhirendra Kumar Gupta**

*Chief Financial Officer*

**Shivansh Tiwari**

*Company Secretary*

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

*Chairman & Managing Director*

DIN : 00250836

**Ankur Garg**

*Whole-time Director*

DIN : 00616599

## THIRTYFIRST ANNUAL REPORT

### Statement of changes in equity for the year ended March 31, 2020

#### A. Equity Share Capital

For the year ended March 31, 2019			For the year ended March 31, 2020		
Balance as at April 1, 2018	Changes in equity share capital during the year	As at March 31, 2019	Balance as at April 1, 2019	Changes in equity share capital during the year	As at March 31, 2020
71,126,200.00	-	71,126,200.00	71,126,200.00	-	71,126,000.00

#### B. Other Equity\*

Particulars	Reserves & Surplus						Total
	Capital Reserve	Security Premium Reserve		Capital Redemption Reserve	General Reserve	Retained Earnings	
<b>Restated Balance as at April 1, 2018</b>	-	<b>20,931,099</b>	-	-	-	<b>44,874,064</b>	<b>65,805,163</b>
Profit for the year						8,345,389	8,345,389
Other Comprehensive Income						(40,674)	(40,674)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>8,304,715</b>	<b>8,304,715</b>
Adjustment of Provision for MAT -	-	-	-	-	-	404,423	404,423
<b>Balance as at March 31, 2019</b>	-	<b>20,931,099</b>	-	-	-	<b>53,178,779</b>	<b>74,109,878</b>
Profit for the year						8,984,841	8,984,841
Other Comprehensive Income						(388,799)	(388,799)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>8,596,042</b>	<b>8,596,042</b>
<b>Balance as at March 31, 2020</b>	-	<b>20,931,099</b>	-	-	-	<b>61,774,821</b>	<b>82,705,920</b>

\* Refer Note No. 14

The accompanying notes form an integral part of the financial statements

This is the Statement of change in equity referred to in our report of even date

As per our report of the even date attached

For and on behalf of the Board of Directors

For ATUL GARG & ASSOCIATES

Chartered Accountants

Firm Regn. No.: 001544C

**Atul Garg**

Partner

M. No. 429196

Date : 10.07.2020

Place : KANPUR

**Dhirendra Kumar Gupta**

Chief Financial Officer

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**Ankur Garg**

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### 1) ) Corporate Information:

Standard Surfactants Limited (“SSL” or “the Company”) having CIN No. L24243UP1989PLC010950 is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India and has its registered office at Kanpur, Uttar Pradesh, India.

Its shares are listed on the Bombay Stock Exchange of India.

The company is engaged mainly in the manufacturing and selling of Detergents and Organic Chemicals.

#### 2) ) Significant Accounting Policies:

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

##### i . Basis of preparation and presentation

###### a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant amendment rules thereafter and accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

###### b) Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

###### c) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, assets for defined benefit plans and Biological assets that are measured at fair value, assets held for sale which is measured at lower of cost and fair value less cost to sell as explained further in notes to Standalone Financial Statements.

##### i . Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:-

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

Current Assets include the current portion of non current financial assets. All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the company’s normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## THIRTYFIRST ANNUAL REPORT

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- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current Liabilities include the current portion of non current financial liabilities. All other liabilities shall be classified as non-current.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### **ii. Property, Plant and Equipment & Capital work-in-progress**

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period.

The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold lands are stated at cost. All other items of property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation, and impairment loss, if any.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption. When parts of an item of PPE have different useful lives, they are accounted for as separate component.

The cost of an asset includes the purchase cost of material, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. For this purpose, cost includes carrying value as deemed cost on the date of transition. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and resultant gains or loss are recognized in the Statement of Profit and Loss.

The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of its carrying amount and fair value less cost to sell.

Capital work in progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing costs and other direct expenditure.

### **iv. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. For this purpose, cost includes carrying value as deemed cost on the date of transition.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses, if any, arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

### **v. Depreciation and Amortization**

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly. Depreciation commences when the assets are available

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

for their intended use. Depreciation is calculated using the straight line method except in respect of plant & machinery of SO3 unit depreciation is provided on written down value method on the basis of life given and in the manner prescribed in schedule II to the Company Act, 2013.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5%.

The Company has used the following useful lives to provide depreciation on its fixed assets:

<b>Assets</b>	<b>Useful Lives</b>
Building	3 0
Plant & equipment	1 5
Furniture & fixtures	1 0
Computers	3
Office equipment	5
Vehicles	8

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the assets. The Company uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use. Leasehold land is amortised over the period of lease.

### **vi Foreign currency translations**

#### **Functional and presentation currency**

Standalone financial statements have been presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

### **vii Inventories**

Traded and finished goods (other than byproducts and scraps) are valued at lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary.

Cost of inventory includes all charges in bringing the inventories to their respective present location and condition, including octroi and other levies, transit insurance and receiving charges. The basis of determining cost of inventory is as follows: -

Stock-in-trade (Traded good for resale): - First in first out (FIFO)

Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Borrowing costs are not included in the value of inventories.

### **viii Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment. Amounts disclosed as revenue are inclusive of excise duty and excluding of returns, trade allowances, rebates, other similar allowances, goods and service tax, value added taxes, service tax and amounts collected on behalf of third parties or government, if any.

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer.

## THIRTYFIRST ANNUAL REPORT

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### **Recognising revenue from major business activities Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Rendering of services**

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest shall be recognised using the effective interest method as set out in Ind AS 109

### **Insurance Claims**

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### **Other incomes**

All other incomes are accounted on accrual basis.

### **ix. Expenses**

All expenses are accounted for on accrual basis.

### **x. Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### **xi. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred.

### **xii. Leases**

The Company has adopted the new accounting standard Ind AS 116 "Leases" on April 1, 2019 as per Companies (Indian Accounting Standards) Amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets (ROU), and finance cost for interest accrued on lease liability.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

### **Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### **Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.



## THIRTYFIRST ANNUAL REPORT

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### **Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

### **xiii Provision for Current and Deferred Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the balance sheet method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. Income tax expense represents the sum of the tax currently payable and deferred tax.

### **xiv Impairment of non-financial assets**

Goodwill and Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment.

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **xv Provisions, Contingent Liabilities and Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is not recognised but disclosed when

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized because:
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised but disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **xvi Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

### **xvii Dividend Payable**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.

### **xviii Non-current assets (or disposal group) held for sale and discontinued operations:**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount would be recovered principally through a sale/distribution rather than through continuing use and a sale/distribution is considered highly probable.

Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/ distribution would be made or that the decision to sell/distribute would be withdrawn. Management must be committed to sale/distribution within one year from the date of classification.

Immediately before the initial classification of the assets (and disposal groups) as held for sale, the carrying amount of the assets (or all the assets and liabilities in the disposal groups) are measured in accordance with their applicable accounting policy.

Non-current assets (or disposal groups) held for sale/for distribution to owners are subsequently measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

Non-current assets including those that are part of a disposal group (PPE and intangible assets) once classified as held for sale/ distribution to owners are neither depreciated nor amortized. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets (including assets of a disposal group) classified as held for sale are presented separately from the other assets in the Balance sheet. The liabilities of a disposal group classified as held for sale/distribution are presented separately from other liabilities in the Balance sheet.

A disposal group qualifies as discontinued operation if it is a component of equity that has either being disposed of or is classified as held for sale, and that represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary exclusively with a view to resale.

## THIRTYFIRST ANNUAL REPORT

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Discontinued operations are excluded from the results of continuing operations and are presented separately as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss and Comparative information is restated accordingly.

All notes to the financial statements mainly include amounts for continuing operations, unless stated otherwise

### **xix Equity Issue Expenses**

Expenses incurred on issue of equity shares are charged in securities premium reserve account in the year in which it is incurred.

### **xx Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **A. Financial assets**

##### **Initial recognition and measurement**

All financial assets, except trade receivables are initially recognized at fair value. Trade receivables are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value of the financial assets, as appropriate, on initial recognition.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

##### **a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for these financial assets is included in other income using the effective interest rate method.

##### **c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### **B. Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The company elected to measure the investment in associate at cost.

#### **C. Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there

has been a significant increase in credit risk. If credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognised from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed

**D. Financial liabilities****Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**E. Derecognition of financial instruments:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**F. Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**G. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**xi Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## THIRTYFIRST ANNUAL REPORT

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The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

The company elected to measure the investment in associate at cost

### **xxi Employees Benefits**

#### **a) Short-term obligations**

Short-term obligations Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

#### **b) Post-employment obligations**

##### **i. Defined benefit plans**

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of company The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gain and loss arising from experience adjustments and change actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of change in equity and in the balance sheet.

Changes in the present value of defined benefit obligation resulting from plan amendments and curtailments are recognised immediately in profit and loss as service cost.

##### **ii. Defined contribution plans**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly/annual contribution at a specified percentage of the covered employees' salary. The contributions, as specified under Defined Contribution Plan to Regional Provident Commissioner and the Central Provident Fund recognised as expense during the period in the statement of profit and loss.

#### **c) Compensated absences**

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

### **d) Voluntary Retirement Scheme**

Compensation to employees who have opted for retirement under the “Voluntary Retirement scheme” is charged to the profit and loss account in the year of retirement.

### **xxii. Operating Segment**

The Company’s operating segments are established on the basis of those components of the group that are evaluated regularly by the Board of Directors (the ‘Chief Operating Decision Maker’ as defined in Ind AS 108 - ‘Operating Segments’), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments; viz. Chemical & Surface Active Segment and Others

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

### **xxiv. Cash Flow Statement**

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **xxv. Earnings Per Share**

Basic earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any) but before other comprehensive income, attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any) but before other comprehensive income adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

## **3 . Use of Estimates**

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the company to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities (Including disclosure of contingent liabilities) at balance sheet date.

The estimates and management’s judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected

The areas involving critical judgement are as follows:

### **i . Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after

## THIRTYFIRST ANNUAL REPORT

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taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

### **i . Provisions**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **ii Defined Benefit Obligations**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 34 'Employee benefits'.

### **iv. Income Taxes**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

As per our report of the even date attached  
For ATUL GARG & ASSOCIATES  
*Chartered Accountants*  
Firm Regn. No.: 001544C  
**Fiza Gupta**  
*Partner*  
M. No. 429196  
Date : 10.07.2020  
Place : KANPUR

For and on behalf of the Board of Directors

**Dhirendra Kumar Gupta**  
*Chief Financial Officer*  
**Shivansh Tiwari**  
*Company Secretary*

**Pawan Kumar Garg**  
*Chairman & Managing Director*  
DIN : 00250836  
**Ankur Garg**  
*Whole-time Director*  
DIN : 00616599

**NOTE - 4 : PROPERTY, PLANT AND EQUIPMENTS**

Description	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET BLOCK AMOUNT	
	Rs.				Rs.					Rs.	
	As on 01.04.2018	Additions	Deduction	Transfer	As on 31.03.2019	Upto 01.04..2018	For the Year	Sales	Adjustments	Upto 31.03.2019	As at 31.03.2019
<b>1. Tangible Assets:</b>											
(a) Freehold Land	2,911,301	-	-	-	2,911,301	-	-	-	-	-	2,911,301
(b) Factory Buildings.	40,537,589	847,955	-	-	41,385,544	23,000,301	689,021	-	-	23,689,323	17,696,221
(c) Plant and Equipment.	169,987,746	3,525,218	-	-	173,512,964	144,980,004	2,441,778	-	-	147,421,782	26,091,182
(d) Furniture and Fixtures.	6,050,148	-	-	-	6,050,148	5,944,570	34,872	-	-	5,979,441	70,707
(e) Vehicles.	11,324,512	-	2,035,164	-	9,289,348	7,751,177	621,566	1,562,052	-	6,810,691	2,478,657
(f) Office equipment.	5,019,310	-	-	-	5,019,310	4,563,546	90,614	-	-	4,654,160	365,150
(g) Computer	5,695,716	3,644	-	-	5,699,360	5,575,314	59,756	-	-	5,635,070	64,290
(h) Office Building	43,565,368	-	-	-	43,565,368	29,192,455	544,577	-	-	29,737,033	13,828,335
(j) Building(Agglo)	1,321,990	-	-	-	1,321,990	359,551	38,971	-	-	398,522	923,468
<b>TOTAL</b>	<b>286,413,680</b>	<b>4,376,817</b>	<b>2,035,164</b>	<b>-</b>	<b>288,755,333</b>	<b>221,366,918</b>	<b>4,521,155</b>	<b>1,562,052</b>	<b>-</b>	<b>224,326,021</b>	<b>64,429,311</b>
<b>GRAND TOTAL</b>	<b>286,413,680</b>	<b>4,376,817</b>	<b>2,035,164</b>	<b>-</b>	<b>288,755,333</b>	<b>221,366,918</b>	<b>4,521,155</b>	<b>1,562,052</b>	<b>-</b>	<b>224,326,021</b>	<b>64,429,311</b>
Previous Year Figures	283,837,295	2,576,385	-	-	286,413,680	216,645,162	4,721,756	-	-	221,366,918	65,046,763
<b>2 Investment Property* (Land)</b>	<b>2,024,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,024,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,024,812</b>
<b>Total</b>	<b>2,024,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,024,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,024,812</b>



## NOTE - 4 : CONTD... PROPERTY, PLANT AND EQUIPMENTS

Description	GROSS CARRYING AMOUNT					DEPRECIATION/ AMORTISATION					NET BLOCK
	Rs.					Rs.					Rs.
	As on 01.04.2019	Additions	Deduction	Transfer	As on 31.03.2020	Upto 01.04..2019	For the Year	Sales	Adjustments	Upto 31.03.2020	As at 31.03.2020
<b>1. Tangible Assets:</b>											
(a) Freehold Land	2,911,301	-	-	-	<b>2,911,301</b>	-	-	-	-	-	<b>2,911,301</b>
(b) Factory Buildings.	42,343,498	-	-	-	<b>42,343,498</b>	23,913,248	749,681	-	-	<b>24,662,929</b>	<b>17,680,568</b>
(c) Plant and Equipment.	173,400,719	3,671,897	-	2,514,695	<b>174,557,921</b>	147,336,669	3,392,008	-	1,044,429	<b>149,684,248</b>	<b>24,873,673</b>
(d) Furniture and Fixtures.	6,050,148	42,600	-	-	<b>6,092,748</b>	5,979,441	27,640	-	-	<b>6,007,081</b>	<b>85,667</b>
(e) Vehicles.	9,289,348	-	1,124,171	-	<b>8,165,177</b>	6,810,692	491,081	440,968	51,204	<b>6,809,601</b>	<b>1,355,576</b>
(f) Office equipment.	5,019,310	247,006	-	-	<b>5,266,316</b>	4,654,160	71,458	-	-	<b>4,725,618</b>	<b>540,698</b>
(g) Computer	5,811,606	144,795	-	-	<b>5,956,401</b>	5,720,181	83,009	-	-	<b>5,803,190</b>	<b>153,211</b>
(h) Office Building	42,607,414	-	-	-	<b>42,607,414</b>	29,513,108	512,027	-	-	<b>30,025,135</b>	<b>12,582,279</b>
(i) Building(Agglo)	1,321,990	-	-	-	<b>1,321,990</b>	398,522	38,971	-	-	<b>437,493</b>	<b>884,497</b>
<b>TOTAL</b>	<b>288,755,333</b>	<b>4,106,298</b>	<b>1,124,171</b>	<b>2,514,695</b>	<b>289,222,765</b>	<b>224,326,021</b>	<b>5,365,874</b>	<b>440,968</b>	<b>1,095,633</b>	<b>228,155,295</b>	<b>61,067,470</b>
<b>4.2 Right of Use Asset</b>		736,597	-	-	<b>736,597</b>		10,230	-	-	<b>10,230</b>	<b>726,367</b>
<b>TOTAL</b>		736,597	-	-	<b>736,597</b>		10,230	-	-	<b>10,230</b>	<b>726,367</b>
<b>GRAND TOTAL</b>	<b>288,755,333</b>	<b>4,842,895</b>	<b>1,124,171</b>	<b>2,514,695</b>	<b>289,959,362</b>	<b>224,326,021</b>	<b>5,376,104</b>	<b>440,968</b>	<b>1,095,633</b>	<b>228,165,525</b>	<b>61,793,837</b>
<b>4.3 Investment Property * (Land)</b>	2,024,812	4,360,000	-	-	<b>6,384,812</b>	-	-	-	-	-	<b>6,384,812</b>
<b>TOTAL</b>	<b>2,024,812</b>	<b>4,360,000</b>	<b>-</b>	<b>-</b>	<b>6,384,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,384,812</b>

## 4.3. INVESTMENT PROPERTY

Amount recognised in Statement of Profit &amp; Loss.

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A) Rental Income	2,930,667	3,500,000
B) Direct operating expenses (including R&M) from property that generated rental income	-	-
C) Direct Operating Expenses (including R&M) from property other than above	-	-
D) Depreciation	-	-
E) Profit from investment property	<b>3,500,000</b>	<b>6,000,000</b>

\*Investment property comprises of land in Rania

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-current	Current	Non-current	Current
<b>NOTE - 5 : NON CURRENT INVESTMENTS :</b>				
<b>Investment in other (Quoted)</b>				
SBI Mutual Fund (Cost of 97657.894 unit of Rs. 296955 each in SBI Credit Risk Fund Regular Growth)	-	-	-	2,900,000
<b>Investment in Associate (Unquoted)</b>				
(Cost of unquoted 650000 equity shares of nil (10) each in Standard Organo Chemicals Pvt. Ltd. (an associate company)	-	-	-	6,500,000
Total		-	-	9,400,000
Aggregate amount of quoted investments and Market Value	-			2,900,000
Aggregate amount of unquoted investments	-			6,500,000
Aggregate amount of impairment in value of Investments	-			-

**NOTE- 6 : OTHERS FINANCIAL ASSETS :****Carried at Amortized Cost**

Unsecured considered good :

Security deposits	3,439,963	5,009,115	4,235,364	5,000,000
Deposits with original maturity more than 12 months	-	4,584,153	-	6,665,250
Interest receivable	-	442,466	-	410,610
Other Receivable	-	268,596	-	32,916
TOTAL	<u>3,439,963</u>	<u>10,304,330</u>	<u>4,235,364</u>	<u>12,109,376</u>

**NOTE-7 : OTHER NON CURRENT ASSETS :**

Capital Advances	2,193,638	-	4,337,240	-
Prepaid Rent- Lease hold Land	-	-	1,286,985	17,632
	<u>2,193,638</u>	<u>-</u>	<u>5,624,225</u>	<u>17,632</u>

The current portion of non current assets has been grouped in "Other Current Assets", Refer Note no. 12

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<b>NOTE-8 : INVENTORIES :</b>		
(Refer Note no 2 for valuation)		
Stock in trade	13,930,927	36,603,623
Finished Goods	7,576,803	3,458,090
Raw Material	7,399,856	5,569,527
Stores, Spare Parts and Tools	2,687,733	1,221,892
Other Consumables	718,900	805,922
<b>TOTAL</b>	<b>32,314,219</b>	<b>47,659,054</b>
<b>NOTE-9 : TRADE RECEIVABLES :</b>		
<b>Carried at Amortized Cost :</b>		
<b>Trade Receivables (Other than Related party)</b>		
- Secured, considered good	-	-
- Unsecured, considered good	170,279,449	211,972,225
- Which have Significant increase in Credit Risk	-	-
- Credit Impaired	-	-
Less : Allowances for Credit Losses	-	-
<b>TOTAL</b>	<b>170,279,449</b>	<b>211,972,225</b>
<b>NOTE-10 : CASH &amp; BANK BALANCES :</b>		
Balance with Banks:		
On Current Account	7,297,897	23,508,470
- Cash in Hand	1,133,801	2,258,502
<b>TOTAL</b>	<b>8,431,698</b>	<b>25,766,972</b>
<b>NOTE -11 : BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
Balance with Bank : Other Bank Balances		
Deposits pledged against margin money/guarantee (under lien)	76,471,044	4,915,647
Deposits with original maturity more than 3 months but upto 12 months	83,837	78,887
Accrued interest on Margin Money	4,187,772	-
<b>TOTAL</b>	<b>80,742,653</b>	<b>4,994,534</b>
<b>NOTE-12 : OTHER CURRENT ASSETS :</b>		
Unsecured considered good :		
Deposits (Govt.)	6,781,076	7,148,051
Prepaid expenses	2,809,326	1,845,841
Current portion of prepaid expenses- leasehold land (Refer note 7)	-	17,632
Balance with Government Authority	-	2,017,410
Advance to Supplier	21,139,955	4,989,974
Advance to Others	2,449,582	4,469,421
Advance to Employee	4,572,735	1,575,706
<b>TOTAL</b>	<b>37,752,674</b>	<b>22,064,035</b>

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>NOTE – 13 : SHARE CAPITAL</b>		
<b>I) Authorised Capital</b>		
10000000 (10000000) Equity Shares of Rs.10 each	100,000,000	100,000,000
	—	—
<b>TOTAL— (RS)</b>	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued and subscribed capital</b>		
Equity Share		
7147600 (7147600) Equity Shares of Rs.10 each fully paid up	71,476,000	71,476,000
	<b>71,476,000</b>	<b>71,476,000</b>
<b>Paid up capital</b>		
Equity Share		
7147600(7147600) Equity Shares of Rs.10 each fully paid up	71,476,000	71,476,000
Less : Call in arrear	(349,800)	(349,800)
	<b>71,126,200</b>	<b>71,126,200</b>

**II) Reconciliation of number of shares outstanding at the beginning and at the end of the period**

	No.	Amount Rs.	No.	Amount Rs.
<b>Authorised Capital</b>				
No. of shares at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Add : Addition during the year	—	—	—	—
No. of Shares at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued and subscribed capital Equity Share</b>				
No. of shares at the beginning of the year	7,147,600	71,476,000	7,147,600	71,476,000
Add : Addition during the year	—	—	—	—
Less : Refunded during the year	—	—	—	—
No. of Shares at the end of the year	7,147,600	71,476,000	7,147,600	71,476,000
<b>Paid up capital Equity Share</b>				
No. of shares at the beginning of the year	7,147,600	71,126,200	7,147,600	71,126,200
Add : Addition during the year	—	—	—	—
No. of Shares at the end of the year	7,147,600	71,126,200	7,147,600	71,126,200

**III) Details of Shareholding:**

No. of Equity Share held by each Shareholder holding more than 5% Shares

	No. of Equity Share	% Holding	No. of Equity Share	% Holding
Ankur Garg	1,402,870	19.63	1,402,870	19.63
Pawan kumar Garg	545,102	7.63	624,965	8.74
Kunal Garg	785,165	10.99	785,165	10.99

**Note :** The Company has only one class of equity shares having at par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>NOTE – 14 : OTHER EQUITY :</b>				
<b>I. Securities Premium :</b>				
Opening Balance	21,105,999		21,105,999	
Add : Addition during the year				
Less: call in arrear	<u>(174,900)</u>	<b>20,931,099</b>	<u>(174,900)</u>	<u>20,931,099</u>
<b>II. Retained Earnings:</b>				
Opening Balance	53,178,779		44,874,064	
Add : Other Comprehensive Income (net of tax)	<b>(388,799)</b>		(40,674)	
Add : Profit for the period	<b>8,984,841</b>	<b>61,774,820</b>	8,345,389	<u>53,178,779</u>
TOTAL		<u><b>82,705,919</b></u>		<u>74,109,878</u>

#### NOTE 14.1 : NATURE AND PURPOSE OF RESERVES

##### I. Securities Premium

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

##### II. Retained Earnings

This comprise company's undistributed profit after taxes.

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non – current Portion	Current Maturities	Non – current Portion	Current Maturities
<b>NOTE – 15 : BORROWINGS :</b>				
<b>(I) Non Current :</b>				
<b>I) Term Loans</b>				
Secured				
Rupee term loan from Non Banking Financial companies	1,416,803	229,358	1,983,047	665,105
{Refer Note No. - 15 (iii)}				
	<b>1,416,803</b>	<b>229,358</b>	1,983,047	665,105
<b>II) Unsecured Borrowings</b>				
From related parties	15,480,897		1,511,769	
From Others	1,167,315		3,792,674	
{Refer Note No. - 15 (iii)}				
	<b>16,648,212</b>	–	5,304,443	–
<b>TOTAL</b>	<b>18,065,015</b>	<b>229,358</b>	7,287,490	665,105

**Notes :**

Current maturities on long term borrowings has been shown in note no. 19.financial institution is :-

**(II) Current :****A. Secured : Carried at amortized cost**

Loan repayable on demand:

i) From Bank–

State bank of India	88,227,253	93,077,899
State bank of India (e–DFS IOCL)	74,572,036	74,268,174

**B. Unsecured:**

From Others (Guarantee by Directors)	5,033,286	–
From related parties	8,310,589	3,578,448
<b>TOTAL</b>	<b>176,143,164</b>	170,924,521

**Notes :**

CC Limits and e–DFS (IOCL) loan from bank are secured by hypothecation of entire current assets (present and future) of the company including goods in transit and stock in process and book debts, first charge on fixed assets of the company and equitable mortgage of immovable properties owned by the company and M/S Standard Sulphonators Pvt. Ltd and further secured by personal guarantee by the directors of the company and corporate gurantee of M/S Standard Sulphonators Pvt Ltd.

**Notes annexed to and forming part of Accounts as at 31.03.2020****iii) Terms of repayment :**

Name of banks / entities	Rate of Interest (ROI) % p.a	As at March 31, 2020		As at March 31, 2019		Period of maturity w.r.t the Balance Sheet date as at 31st March, 2020	Number of Installments outstanding as at 31st March, 2019	Amount of each Installment (Rs.)	Details of security offered
		Current (Rs.)	Non-Current (Rs.)	Current (Rs.)	Non-Current (Rs.)				
1) Kotak Mahindra Prime Ltd	8.32%-12.41%	70,074.00	–	521,632.00	354,017.00	1 year 9 month	21 monthly installments	44176	
2) Term loan from India Bulls Home loans	10.50%	159,284.29	1,416,802.71	143,473.00	1,629,030.00	7 years 3 months	87 monthly installments	26987	Refer to Note. 15(i)
<b>SUB-TOTAL</b>		<b>229,358.29</b>	<b>1,416,802.71</b>	<b>665,105.00</b>	<b>1,983,047.00</b>				
Unsecured									
From Related Parties			15,480,897.00		1,511,769.00	Payable on different due date			
From Others			1,167,315.00		3,792,674.00	Payable on different due date			
<b>SUB-TOTAL</b>									
<b>TOTAL</b>		<b>229,358.29</b>	<b>18,065,014.71</b>	<b>665,105.00</b>	<b>7,287,490.00</b>				

**Notes :**

Rupee Term Loan from non banking financial institution is :

(a) Secured by first charge on hypothecation of five cars owned by the company and personal guarantee of the directors.

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<b>NOTE-16 : PROVISIONS:</b>		
<b>(i) Non Current :</b>		
Provision of employee benefit		
i) Gratuity and Leave Encashment {Refer Note No.-34}	3,851,732	3,423,927
<b>TOTAL</b>	<b>3,851,732</b>	<b>3,423,927</b>
<b>(ii) Current:</b>		
Provision of employee benefit		
i) Gratuity and Leave Encashment	230,140	203,393
ii) Others	4,692,025	1,675,858
iii) Bonus	150,000	-
<b>Total</b>	<b>5,072,165</b>	<b>1,879,251</b>

**NOTE-17 : DEFERRED TAX LIABILITY (NET) :****Deferred tax liabilities :**

i) On account of differences in written down value of fixed assets	7,582,540	9,827,660
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**Deferred tax Assets :**

i) On account of timing difference of expenses which are allowable under Income Tax laws in subsequent years	933,932	1,009,120
ii) On account of other assets	2,738,212	2,520,159
<b>Net Deferred Tax</b>	<b>3,910,396</b>	<b>6,298,381</b>

**17.1 : Movement in deferred tax Liabilities/ deferred tax assets**

	Property Plant & Equipment Rs.	Other items Rs.	Total Rs.
<b>At 31st March 2018</b>	<b>9,098,581</b>	<b>3,200,450</b>	<b>5,898,131</b>
(Charged)/credited:-			
- to profit & loss	729,079	313,152	415,927
- to other Comprehensive Income	-	15,677	(15,677)
<b>At 31st March 2019</b>	<b>9,827,660</b>	<b>3,529,278</b>	<b>6,298,381</b>
(Charged)/credited:-			
- to profit & loss	(2,245,120)	28,038	(2,273,158)
- to other Comprehensive Income	114,827		(114,827)
<b>At 31st March 2020</b>	<b>7,582,540</b>	<b>3,672,144</b>	<b>3,910,396</b>



## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-current Portion	Current Maturities	Non-current Portion	Current Maturities
Trade Payables				
Raw Materials	-	-	-	487,379
Others:	-	-	-	487,379

#### NOTE – 18 : TRADE PAYABLES : MSME

Trade Payables				
Raw Materials	-	-	-	487,379
Others:	-	-	-	487,379

#### NOTE-18 : TRADE PAYABLES : OHER THAN MSME

Trade Payables				
Raw Materials	- 12,977,779	-	- 53,118,552	
Others:	- 29,628,400	-	8,753,130	
	- 42,606,179	-	61,871,682	
Description	As at March 31, 2020		As at March 31, 2019	

2. Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods:

a) The principal amount remaining unpaid to suppliers as at the end of accounting year	nil	487,379
b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year	nil	nil
c) The amount of interest paid by the company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period	nil	nil
d) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act.	nil	nil
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	nil	nil
f) The amount of further interest remaining due and payable even in succeeding years	nil	nil

The above mentioned outstandings are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-current Portion	Current Maturities	Non-current Portion	Current Maturities

**NOTE-19 : OTHER FINANCIAL LIABILITIES**

Carried at amortized cost:

Current maturities of long term borrowings {Refer Note No.-15(iii)}	-	229,359	-	665,105
Cheque issued but not presented	-	-	-	3,800,000
Creditors for capital expenditure	-	254,472	-	411,288
	<b>483,831</b>	-		<b>4,876,393</b>

**NOTE-20 : OTHER CURRENT LIABILITIES**

Advance from customers	-	9,793,390	-	2,718,760
Statutory dues payable	-	755,047	-	2,406,248
Other Liabilities	-	348,987	-	1,342,765
Total	-	<b>10,897,424</b>	-	<b>6,467,773</b>

**NOTE 21 : CURRENT TAX LIABILITIES**

Provision for tax		1,700,000		3,948,364
Less : Advance tax paid		(2,924,752)		(2,421,330)
		<b>1,224,752</b>		<b>(1,527,034)</b>

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

	For the year ended 31.03.2020 Rs.	For the year ended 31.03.2019 Rs.
<b>NOTE-22: REVENUE FROM OPERATIONS – SALE</b>		
<b>(I) Revenue from operations</b>		
Sale of finished product	776,675,527	1,109,819,442
Job work charges	30,332,236	52,305,972
<b>Revenue From Operations (A)</b>	<b>807,007,763</b>	<b>1,162,125,414</b>
Other operating revenue		
Commission Received	5,588,533	3,479,832
Rental Income	3,032,355	3,601,688
Balances written back	788,336	1,982,677
Income from Reasonal Sales Centre	9,546,096	-
Foreign Exchange Difference (Net)	144,185	1,234,215
Other operating revenue (B)	19,099,504	10,298,418
<b>Total Revenue from operations (Gross)(A+B)</b>	<b>826,107,267</b>	<b>1,172,423,836</b>
<b>NOTE -23 : OTHER INCOME</b>		
Interest Received on FDR	690,159	2,147,832
Income (Other)	569,153	791,312
Total	1,259,312	2,939,144
<b>NOTE-24 : PURCHASE OF STOCK IN TRADE</b>		
Purchase of Stock in Trade	409,251,713	767,359,472
Total	409,251,713	767,359,472
<b>NOTE-25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK – IN – TRADE AND WORK – IN – PROGRESS</b>		
Inventories at the end of the year		
Finished goods/ Stock in trade	21,507,730	40,061,714
	21,507,730	40,061,714
Inventories at the beginning of the year		
Finished goods/ Stock in trade	40,061,714	20,868,592
	40,061,714	20,868,592
Changes in Inventory	18,553,984	(19,193,120)
<b>NOTE-26 : EMPLOYEES BENEFITS EXPENSE</b>		
Salary, wages and bonus	17,316,677	16,872,390
Contribution to provident and other funds	874,529	863,460
Workmen and staff welfare expenses	847,226	469,711
Gratuity	491,808	441,218
Leave encashment	179,048	149,041
Total	19,709,288	18,795,820

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

	For the year ended 31.03.2020 Rs.	For thr year eened 31.03.2019 Rs.
<b>NOTE-27 : FINANCE COSTS</b>		
Interest- Bank	18,059,350	9,399,880
Bank Guarantee Charges	697,563	240,956
Bank Charges	412,179	1,133,070
Interest to others	(9,004,970)	2,142,997
Total	<u>10,164,122</u>	<u>12,916,903</u>
<b>NOTE-28 : OTHER EXPENSE</b>		
Freight	32,102,569	53,913,880
Power and fuel	15,795,308	16,544,334
Depot Expenses	315,987	538,595
Discount	71,692	58,300
Repairs and Maintenance	4,765,385	5,002,176
Travelling & Conveyance Expenses	2,930,923	2,737,346
Insurance	811,326	689,682
Material Handling	62,584	60,205
Miscellaneous expenses	2,178,308	2,011,900
Postage and telephone	568,907	1,381,090
Printing and Stationary	431,430	524,110
Rent Rates & taxes expenses	1,169,539	1,183,300
Office expenses	99,871	52,201
Packaging & Processing	2,661,025	1,020,770
Security expenses	536,578	403,747
Loss on sale of Mutual Fund	29,723	160,428
Business development expenses	32,670	54,857
Legal & professional expenses	3,446,877	2,293,530
Vehicle running and maintenance	1,206,093	1,220,843
Loss on sale of assets	283,203	248,112
Laboratory charges	309,455	235,300
Water charges	282,769	262,388
Listing Fee/ Stock Exchange fees	300,000	3,273,308
Bad debt & balance written off	2,580,314	3,124,398
Donation	30,400	78,300
Membership and subscription	21,000	17,500
Entry tax demand	-	2,508
Commission Charges and Sales Incentive	435,634	6,417,136
Clearing Charges	5,988,380	12,271,915
Total	<u>79,447,951</u>	<u>115,782,168</u>

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

	For the year ended 31.03.2020 Rs.	For the year ended 31.03.2019 Rs.
<b>NOTE - 29 : TAX EXPENSE</b>		
Current tax	1,700,000	3,648,948
Deferred tax	(2,387,985)	400,250
	<u>(687,985)</u>	<u>4,049,198</u>
<b>Reconciliation of Tax Expense</b>		
Profit before tax	8,645,886	12,410,264
Applicable Tax Rate	25.17%	27.82%
<b>Computed Tax Expense (A)</b>	<b>2,175,997</b>	<b>3,452,537</b>
Adjustments For-		
Expenses not allowed for tax purpose	1,764,563	1,538,508
Additional allowance for tax purpose	(2,034,740)	(1,042,681)
Effect of tax adjustments	(205,820)	-
Temporary difference on account of WDV of Fixed Assets	(2,245,120)	729,079
Temporary difference on account of expenses allowable in subsequent years	75,188	(228,619)
On account of other assets	(218,053)	(100,211)
<b>Net Adjustments (B)</b>	<b>(2,863,982)</b>	<b>896,076</b>
Tax Expense	<u>(687,985)</u>	<u>4,348,614</u>

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
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### 30. EARNINGS PER SHARE (EPS) :

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
i) Net Profit/ Loss(-) available to Equity Shareholders (Used as numerator for calculating EPS)	Rs.	8,984,841	8,345,389
ii) Weighted average No. of Equity Shares outstanding during the period: (Used as denominator for calculating EPS)			
- for Basic EPS	No.	7147600	7147600
- for Diluted EPS	No.	7147600	7147600
iii) Earning per Share before and after Extra Ordinary Items			
- Basic	Rs.	1.26	1.17
- Diluted	Rs.	1.26	1.17
(Equity Share of Face value of Rs. 10 each)			

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020****31. AUDITOR'S REMUNERATION**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Services as Statutory Auditors (including Quarterly Audits)	280,000	260,000
Reimbursement of expenses	-	-

**32. FINANCE COST**

The finance cost on Edfs financing is net of cost recovered from customer. The previous year figures have been readjusted and restated accordingly.

**NOTE – 33 : CONTINGENT LIABILITIES AND COMMITMENTS :****NOT PROVIDED FOR IN RESPECT OF :**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>I. Contingent Liabilities</b>		
<b>i) Demands being disputed by the Company :</b>		
a) Excise duty and Service Tax demands	225000.00	225000.00
b) Trade Tax and Entry Tax demands	4380000.00	4970000.00
<b>ii) Claims against the company not acknowledged as debts :</b>	-	-
a) Statutory liability being disputed by authorities		
b) Income Tax demand on processing of TDS Returns		
c) Other Liabilities		
d) In respect of some pending cases of employees under labour laws		
The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the company		
In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome.		
<b>II. Corporate Guarantees</b>		
Corporate guarantees given by the company on behalf of third parties to the banks	-	-
<b>III. Capital Commitment</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

**34. Employees Benefits :**

The required disclosures of employees benefits as per Indian Accounting Standard (Ind AS) -19 are given hereunder :-

**Defined Contribution Plan:**

Employee Benefits in the form of Provident Fund, Employee State Insurance Corporation (ESIC) and Labour Welfare Fund are considered as defined contribution plan.

**Gratuity :**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed 5 years of service is entitled to specific benefit. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age. It is valued as per the actuarial report.

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

#### (i) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Gratuity

		(Rs)
<b>A) Change in Obligation over the year ended 31.03.2020</b>	<b>2019-20</b>	2018-2019
Present Value of defined obligation as on 01.04.2019	<b>2,785,809</b>	2,404,943
Current Service Cost	<b>278,415</b>	255,797
Interest Cost	<b>213,393</b>	185,421
Actuarial Gains/losses	<b>461,032</b>	4,678
Benefits Paid	<b>(597,945)</b>	(65,030)
Present Value of defined obligation as on 31.03.2020	<b>3,140,704</b>	2,785,809
<b>B) Expenses recognised during the year ended 31.03.2020</b>	<b>2019-20</b>	2018-2019
Current Service Cost	<b>278,415</b>	255,797
Interest Cost	<b>213,393</b>	185,421
Actuarial Gains/losses	<b>461,032</b>	4,678
<b>Total</b>	<b>952,840</b>	445,896
<b>C) Principal Actuarial Assumptions :</b>		
Mortality Table	—	IALM IALM (2012-2014) (2006-08)
Discount Rate (per Annum)	—	<b>6.79%</b> 7.66%
Rate of Escalation in Salary (per Annum)	—	<b>5.00%</b> 5.00%
Withdrawal Rate (Age related)-		
Up to 30 Years		<b>3.00%</b> 3.00%
Between 31 - 44 Years		<b>2.00%</b> 2.00%
Above 44 Years		<b>1.00%</b> 1.00%
Normal Retirement Age (in Years)		<b>65</b> 65

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor

#### (ii) Leave Encashment

In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Leave Encashment :

		(Rs)
<b>A) Change in Obligation over the year ended 31.03.2020</b>	<b>2019-20</b>	2018-2019
Present Value of defined obligation as on 01.04.2019	<b>841,511</b>	717,064
Current Service Cost	<b>114,588</b>	93,755
Interest Cost	<b>64,460</b>	55,286
Actuarial Gains/losses	<b>42,594</b>	51,673
Benefits Paid	<b>(121,985)</b>	(76,267)
Present Value of defined obligation as on 31.03.2020	<b>941,168</b>	841,511
<b>B) Expenses recognised during the year ended 31.03.2020</b>	<b>2019-20</b>	2018-2019
Current Service Cost	<b>114,588</b>	93,755
Interest Cost	<b>64,460</b>	55,286
Actuarial Gains/losses	<b>42,594</b>	51,673
<b>Total</b>	<b>221,642</b>	200,714

*Notes annexed to and forming part of Accounts as at 31.03.2020*

**C) Principal Actuarial Assumptions :**

	<b>IALM (2012-2014)</b>	<b>IALM (2006-08)</b>
Mortality Table		
Discount Rate (per Annum)	<b>6.79%</b>	7.66%
Rate of Escalation in Salary (per Annum)	<b>5.00%</b>	5.00%
Withdrawal Rate (Age related)-		
Up to 30 Years	<b>3.00%</b>	3.00%
Between 31 - 44 Years	<b>2.00%</b>	2.00%
Above 44 Years	<b>1.00%</b>	1.00%
Normal Retirement Age (in Years)	<b>65.00%</b>	65
Leave Availment Rate	<b>5%</b>	5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor

**(iii) Defined Contribution Plan :**

The contribution to the respective funds are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contribution to defined contribution plan, recognised as expense in the Statement of Profit & Loss are as under:

	<b>2019-2020</b>	<b>(Rs) 2018-2019</b>
Employer's Contribution to Provident Fund :	113720	173300
Employer's Contribution to Pension Fund :	535871	393349
Employer's Contribution to Employee's State Insurance Corporation :	215392	293673
Employer's Contribution to Labour Welfare Fund :	9546	3138

**35. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS**

**a) Operating Segments**

The Company is organized into two main business segments, namely:

- a) Chemical and Surface active segment
- b) Others

**b) Identification of Segments**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

**c) Segment revenue and results:**

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

**d) Segment assets and liabilities:**

While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment Liabilities include all operating liabilities and include creditors, accrued liabilities and interest bearing liabilities.

**e) Segment Accounting Policies:**

- (i) The segment results have been prepared using the same accounting policies as per the Financial Statements of the Company.
- (ii) Unallocated assets include deferred tax, investments and interest bearing deposits.
- (iii) Unallocated liabilities include non-interest bearing liabilities and tax provisions.
- (iv) Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.
- (v) Revenues are shown net of intersegment revenue.



## THIRTYFIRST ANNUAL REPORT

### *Notes annexed to and forming part of Accounts as at 31.03.2020*

**f) Geographical Information**

The company operated only in India during the year ended 31st March, 2020 and 31st March, 2019.

**g) Information about major customers**

No single customer contributed 10% or more of the total revenue of the company for the year ended 31st March, 2020 and 31st March, 2019.

**Summary of Segmental Information**

Particulars	Chemical and Surface active segment	Others	Total
<b>1. Segment Revenue (including Excise Duty)</b>			
<b>a) External Sales</b>	3,448.97	4,812.10	8,261.07
Previous Year (31.03.2019)	3,520.23	8,204.01	11,724.24
<b>2. Segment Results</b>			
(Profit+)/Loss(-) before Tax and Interest from each segment)	83.91	242.87	326.78
Previous Year (31.03.2019)	186.75	191.26	378.01
Less : Finance costs			235.10
Previous Year (31.03.2019)			129.17
Less/ Add :Other Unallocable Expense/Income net off Unallocable Income/Expenses			39.31
Previous Year (31.03.2019)			124.74
Net Profit(+)/loss(-) before Tax			52.37
Previous Year (31.03.2019)			124.11
Less: Tax expense (Net)			(3.39)
Previous Year (31.03.2019)			40.65
Net Profit after Tax			55.76
Previous year			83.46
Share of Profit/Loss of Non-Controlling Interest			-
Previous year			-
Pre-Acquisition profit of the subsidiary company			-
Previous year			-
Net Profit after Tax (after adjustment of Minority Interest)			55.76
Previous year			83.46
<b>3. Other Information</b>			
<b>a) Segment Assets</b>	1,137.01	2,613.57	3,750.58
Previous Year (31.03.2019)	1,099.42	2,365.78	3,465.20
Unallocable Corporate Assets			433.56
Previous Year (31.03.2019)			637.60
Total Assets			4,184.14
Previous Year (31.03.2019)			4,102.80
<b>b) Segment Liabilities</b>	349.85	1,281.44	1,631.29
Previous Year (31.03.2019)	223.25	1,207.52	1,430.77
Unallocable Corporate Liabilities			1,041.65
Previous Year (31.03.2019)			1,219.67
Total Liabilities			2,672.94
Previous Year (31.03.2019)			2,650.44

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

Particulars	Chemical and Surface active segment	Others	Total
<b>c) Capital Expenditure</b>	40.75	–	40.75
Previous Year (31.03.2019)	35.29	–	35.29
Unallocable capital expenditure			43.91
Previous Year (31.03.2019)			8.48
Total capital expenditure			84.66
Previous Year (31.03.2019)			43.77
<b>d) Depreciation</b>	28.37	1.58	29.95
Previous Year (31.03.2019)	29.58	1.41	30.99
Unallocable depreciation			12.75
Previous Year (31.03.2019)			14.22
Total depreciation			42.70
Previous Year (31.03.2019)			45.21
<b>e ) Non Cash Expenditure other than Depreciation</b>	3.83	18.66	22.49
Previous Year (31.03.2019)	5.22	23.86	29.08
Unallocable Non Cash Expenditure other than Depreciation			6.14
Previous Year (31.03.2019)			4.64
Total Non Cash Expenditure other than Depreciation			28.63
Previous Year (31.03.2019)			33.73

**36. RELATED PARTIES DISCLOSURE :****A) Name of the related parties with whom transactions were carried out during the year and description of relationship:****I) Key Management Personnel & their relatives:**

- (i) Mr. Pawan Kumar Garg, Chairman & Managing Director
- (ii) Mr. Atul Kumar Garg, Whole Time Director
- (iii) Mr. Ankur Garg, Whole Time Director
- (iv) Dharendra Kumar Gupta, CFO
- (v) Mr. Shivansh Tiwari, Company Secretary
- (vi) Mr. Kunal Garg

**II) Director & their relatives:**

- (i) Mr. Pramod Kumar Misra, Director
- (ii) Mr. Bijal Yogesh Durgavale, Director
- (iii) Mr. Rajinder Pal, Director
- (iv) Mr. Satya Prakash Tayal, Director

**III) Person having significant influence over the enterprises:**

- (i) M/s Standard Sulphonators (P) Ltd.
- (ii) M/s Kashi Prasad Roop Kishore
- (iii) M/s Standard Ventures Ltd.
- (iv) M/s Shri Balaji Enterprises
- (v) M/s Sri Ram Enterprises
- (vi) Navsheel standard construction
- (vii) Standard organo chemicals pvt ltd.
- (viii) Icon Developers
- (ix) Icon Cars (P) Ltd
- (x) Udati Infraconstruction (P) Ltd.
- (xi) Udati Developers Private Limited
- (xii) Icon Polymers

## THIRTYFIRST ANNUAL REPORT

### *Notes annexed to and forming part of Accounts as at 31.03.2020*

#### B ) Details of transactions between the Company and Related Parties:

Nature of Transactions	2019–2020		2018–2019	
	KMP/Director	Enterprises	KMP/Director	Enterprises
<b>Purchase of Goods</b>				
Std.Organo Chemicals (P) Ltd.	–	–	–	3,930,114
<b>Loan received</b>				
Std.Organo Chemicals (P) Ltd.	–	5,465,000	–	6,300,000
Pawan Kumar Garg	59,109,128		22,900,000	
Ankur Garg	30,868,775		–	
<b>Loan Repaid</b>				
Pawan Kumar Garg	55,857,552		21,711,863	
Ankur Garg	24,039,542	–	–	–
Std.Organo Chemicals (P) Ltd.	–	6,695,808	–	2,842,295
<b>Purchase of Goods</b>				
Icon Polymers	–	123,870,144	–	–
<b>Expenses–Salary</b>				
Atul Kumar Garg	1,200,000		1,200,000	
Pawan Kumar Garg	1,200,000		1,200,000	
Ankur Garg	1,200,000		1,200,000	
Shivansh Tiwari	547,500		492,000	
Kunal Garg	720,000		360,000	
Dhirendra Kumar Gupta	312,000		329,000	
<b>Sitting Fees</b>				
Bijal Yogesh Durgvale	15,000		5,000	
Rajinder Pal Singh	25,000		5,000	
Mr. Satya Prakash Tayal	–		55,000	
Mr. Pramod Kumar Misra	50,000		55,000	
<b>Interest Paid</b>				
Pawan Kumar Garg	1,376,355		323,632	
Ankur Garg	655,949		–	
<b>Expenses–Rent paid</b>				
Standard Sulfonators (P) Ltd.	600,000		600,000	
<b>Balance Outstanding</b>				
<b>Amount Payables</b>				
Atul Kumar Garg	977,831		53,245	
Ankur Garg	1,169,903		62,360	
Shivansh Tiwari	(186)		40,510	

**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

**Notes annexed to and forming part of Accounts as at 31.03.2020**

Nature of Transactions	2019–2020		2018–2019	
	KMP/Director	Enterprises	KMP/Director	Enterprises
Standard Sulfonators (P) Ltd.	1,981,600		1,484,000	
Pawan Kumar Garg	–	–	5,138	–
<b>Loan Outstanding (As per SSL Books)</b>				
Pawan Kumar Garg		6,139,700		1,511,769
Standard Organo Chemicals (P) Ltd.		2,226,897		3,457,705
Ankur Garg		7,485,182		
<b>Security Deposits</b>				
Standard Sulfonators (P) Ltd.	–	5,000,000	–	5,000,000
<b>C ) Short Term Employee Benefits</b>		<b>Salary</b>		<b>Sitting fees</b>
	<b>2020</b>	2019	<b>2020</b>	2019
Atul Kumar Garg	1,200,000	1,200,000	–	–
Pawan Kumar Garg	1,200,000	1,200,000	–	–
Ankur Garg	1,200,000	1,200,000	–	–
Shivansh Tiwari	547,500	492,000	–	–
Dhirendra Kumar Gupta	312,000	329,000	–	–
Kunal Garg	720,000	–	–	–
Bijal Yogesh Durgvale	–	–	15,000	5,000.00
Rajinder Pal Singh	–	–	25,000	5,000.00
Mr. Satya Prakash Tayal	–	–	–	55,000.00
Mr. Pramod Kumar Misra	–	–	50,000	55,000.00

**D) Terms and Conditions and Settlement**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances at the year end are un-secured and settlement occurs in cash.

**37. Disclosure under Schedule V to the SEBI (Listing and Disclosure Requirements) Regulations, 2015**

The company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2020. Hence the requirements under the said schedule is not applicable to the company and no information is required to be disclosed.

38. Details of loans and advances given; investment made; guarantee given and security provided as required to be disclosed as per provision of section 186(4) of Companies Act, 2013 have been disclosed under the respective heads.

39. Exceptional Items for the year ended March 31,2020 includes sale of investment made in associate (Standard Organo Chemicals Pvt Ltd.) amounting to Rs 40.25 lacs and sale of land amounting to Rs 50.00 lacs in year ended 31.3.2020. Detail of exceptional items as follows:

Particulars	2019–20	2018–19
Loss on sale of Investment in Associate Company	–2,275,000.00	–
Profit on sale of Land	4,244,331.00	–
Total	<u>1,969,331.00</u>	<u>–</u>

## THIRTYFIRST ANNUAL REPORT

### Notes annexed to and forming part of Accounts as at 31.03.2020

#### 40) FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets includes Loan, trade and other receivable, and cash and other financial assets directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

##### I. Market risk

"Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks."

##### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing obligations with floating interest rates.

##### (b) Foreign currency risk

Foreign currency risk arises from commercial transactions that recognises assets and liabilities denominated in a currency that is not Company's functional currency(INR). The company is not exposed to significant foreign exchange risk at the respective dates.

##### (c) Inventory Price Risk

The company is exposed to the movement in price of the principal finished product i.e. detergents and organic chemicals. The company monitors prices on periodical basis and formulates sales strategy to achieve maximum realization.

##### II. Credit risk

"Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as: (i) Actual or expected significant adverse changes in business. (ii) Actual or expected significant changes in the operating results of the counterparty. (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation (iv) Significant increase in credit risk on other financial instruments of the same counterparty (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements"

##### (a) Trade receivable

Management Analysis is performed at each balance sheet date on an individually basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups. The maximum exposure to credit risk on the balance sheet date is the carrying value of each class of financial asset is disclosed as under-

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

			(Rs)
Ageing	Less than 6 months	More than 6 month	Total
<b>As at March 31, 2019</b>			
Carrying Amount	203,514,105	8,458,120	211,972,225
<b>As at March 31, 2020</b>			
Carrying Amount	170,279,449	-	170,279,449

**Notes annexed to and forming part of Accounts as at 31.03.2020**

**(b) Balance with bank**

Credit risk from balances with bank is managed in accordance with the company's policies.

The company's maximum exposure to credit risk for the components of the balance sheet as at 31st march, 2020 and 31st march, 2019 is the carrying amount as stated under note no-11.

**III. Liquidity Risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

	Rs.			
<b>As at March 31, 2020</b>	<b>Less than One Year</b>	<b>More than one and less than five year</b>	<b>More than five year</b>	<b>Total 5 Years</b>
Borrowings	176,143,164	16,648,212	1,416,803	194,208,178
Trade payables	42,606,179			42,606,179
Other Liabilities	483,831			483,831
<b>Total</b>	<b>219,233,174</b>	<b>16,648,212</b>	<b>1,416,803</b>	<b>237,298,189</b>
	Rs.			
<b>As at March 31, 2019</b>	<b>Less than One Year</b>	<b>More than one and less than five year</b>	<b>More than five year</b>	<b>Total 5 Years</b>
Borrowings	170,924,521	6,418,251	869,239	178,212,011
Trade payables	62,359,061	-	-	62,359,061
Other Liabilities	4,876,393	-	-	4,876,393
<b>Total</b>	<b>238,159,975</b>	<b>6,418,251</b>	<b>869,239</b>	<b>245,447,465</b>

**IV. Capital Management**

**Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders. The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020 and 31st March, 2019.

## THIRTYFIRST ANNUAL REPORT

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### *Notes annexed to and forming part of Accounts as at 31.03.2020*

41. The previous year's figures have been reworked or regrouped and reclassified, wherever necessary.

The accompanying notes form an integral part of the financial statements  
This is the Balance Sheet referred to in our report of even date

As per our report of the even date attached

For ATUL GARG & ASSOCIATES

*Chartered Accountants*

Firm Regn.No.: 001544C

**Fiza Gupta**

*Partner*

M. No. 429196

Date : 10.07.2020

Place : KANPUR

**Dhirendra Kumar Gupta**

*Chief Financial Officer*

**Shivansh Tiwari**

*Company Secretary*

For and on behalf of the Board of Directors

**Pawan Kumar Garg**

*Chairman & Managing Director*

DIN : 00250836

**Ankur Garg**

*Whole-time Director*

DIN : 00616599

# STANDARD SURFACTANTS LIMITED

CIN: L24243UP1989PLC010950

Regd. Off. : 8/15, Arya Nagar, Kanpur-208002, U.P (INDIA)

Email:secretarial@standardsurfactants.com • Web: www.standardsurfactants.com

## BALLOT/POLLING PAPER ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole/first named member : .....
  2. Name(s) of the Joint-Holder(s), if any : .....
  3. i) Registered Folio No. : .....  
ii) \*DP ID No. & Client ID No. : .....
- [Applicable to Members holding shares in dematerialized form]
4. Number of Share(s) held : .....
  5. Class of Shares : .....

6. I/We hereby exercise my/ our vote in respect of the following resolutions to be passed for the business stated in the notice of the 31st Annual General Meeting dated 23rd, December, 2020 by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

S. No.	Resolution	No. of Shares	I/We assent to (FOR)	I/We dissent to (FOR)
	<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Auditors and Board of Directors thereon; and			
2.	To appoint a director in place of Atul Kumar Garg, (having DIN No. 00250868) who retires by rotation and being eligible, offers himself for reappointment.			
3.	To Alter Objects Clause of the Memorandum of Association of the Company.			
4.	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.			
5.	Approval for Related Party Transactions.			

Place : Kanpur  
Date : 13.11.2020

Signature of the Member  
or  
Authorized Representative

### Notes :

- I. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- II. Last date for receipt of Assent /Dissent Form by the Scrutinizer : December, 20<sup>th</sup> 2020 (5:00 pm).
- III. Please read the instructions printed overleaf carefully before exercising your vote.

(Tear here)



## THIRTYFIRST ANNUAL REPORT

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### INSTRUCTIONS

#### General Instructions

1. As per the Companies Act, 2013, Company has to provide e voting facility to its shareholders; however the shareholders, who do not have access to e -voting facility may convey their assent/ Dissent in physical Assent/Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form & e-voting, then vote casted through e - voting shall be considered, and vote casted through physical Assent/ Dissent shall be treated as invalid.
2. The notice of Annual General Meeting is e-mailed to the members whose names appear on the register of members as on November, 27<sup>th</sup> 2020 & voting rights shall be reckoned on the paid up value of the share registered in the name of share holders as on the said date.

#### Instructions for voting physically on Assent/Dissent Form.

1. A member desiring to exercise vote by Assent/Dissent should complete this Assent/Dissent Form and send it in the enclosed self addressed pre-paid postage so as to reach the scrutinizer Mr. Sarvesh S. Srivastava, Practicing Company Secretary at the registered office of the company on or before 5:00 pm on December 20<sup>th</sup> 2020. All forms received after this date will be strictly treated as if the reply from such member has not been received.
2. This Form should be completed and sign by the Share holder (as per the specimen signature registered with the company/ depositary participants).in case of joint holding this form should be completed and signed by the first named shareholder and in his absence, by the next named share holder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assents/Dissent Form should be accompanied by a certified copy of the relevant board resolution /appropriate authorization, with the specimen signature (s) of the authorized signatory (ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (v) in the appropriate column in the form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form indelible ink and avoid filling it by using erasable writing medium (s) like pencil.
6. There will be one Assent/Dissent Form for every Folio/Client id respective of the number of joint holders.
7. Members are requested not to send any other paper along with the Assent /Dissent Form. They are also requested not to write anything in the Assent /Dissent form except giving their assent or dissent and putting their signature.
8. The Scrutinizer 'decision on the validity of Assent/Dissent form will be final and binding.
9. Incomplete, unsigned or incorrectly ticked Assent/Dissent Forms will be rejected.

**STANDARD SURFACTANTS LIMITED**

CIN: L24243UP1989PLC010950

Regd. Off. : 8/15, Arya Nagar, Kanpur-208002, U.P (INDIA)

Email:secretarial@standardsurfactants.com • Web: www.standardsurfactants.com

**FORM OF PROXY**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail id	
Folio no. / Client id	
DP ID	

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name :.....

Address :.....

E-mail id :.....

Signature.....; or failing him,
2. Name :.....

Address :.....

E-mail id :.....

Signature.....; or failing him,
3. Name :.....

Address :.....

E-mail id :.....

Signature :.....

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Wednesday the 23<sup>rd</sup> December, 2020 at 02.30 P.M. at 8/15, Arya Nagar, Kanpur-208002 and at any adjournment thereof in respect of such resolution as are indicated below:

(Tear here)

Resolution Number	Resolution	For	Against
1 .	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Auditors and Board of Directors thereon; and		
2 .	To appoint a director in place of Atul Kumar Garg, (having DIN No. 00250868) who retires by rotation and being eligible, offers himself for reappointment.		
3 .	To Alter Objects Clause of the Memorandum of Association of the Company.		
4 .	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.		
5 .	Approval for Related Party Transactions.		

Signed this .....day of....., 2020

Signature of the shareholder.....

Signature of the Proxy holder(s).....

Please affix ₹/- Revenue Stamp
--

**Note :** The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## THIRTYFIRST ANNUAL REPORT

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### STANDARD SURFACTANTS LIMITED

CIN: L24243UP1989PLC010950

Regd. Off. : 8/15, Arya Nagar, Kanpur-208002, U.P (INDIA)

Email:secretarial@standardsurfactants.com • Web: www.standardsurfactants.com

#### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
(Joint Shareholders may obtain additional attendance slip on request)

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Wednesday the 23<sup>rd</sup> December, 2020 at 02.30 P.M. at 8/15, Arya Nagar, Kanpur-208002.

NAME OF THE SHAREHOLDER : (IN BLOCK LETTERS)	NO. OF SHARES HELD
SIGNATURE OF THE SHAREHOLDER :	FOLIO NO.
NAME OF THE PROXY : (IN BLOCK LETTERS)	DP ID
SIGNATURE OF THE PROXY	Client ID

### STANDARD SURFACTANTS LIMITED

CIN: L24243UP1989PLC010950

Regd. Off. : 8/15, Arya Nagar, Kanpur-208002, U.P (INDIA)

Email:secretarial@standardsurfactants.com • Web: www.standardsurfactants.com

#### FEED BACK FORM

Registration / Updation of E-mail id :-

Name of the Shareholder	Folio Number	Updated Email ID

\_\_\_\_\_  
Signature of the Shareholder