

**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 standalone Ind AS financial statements of Standard Surfactants Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to Ind AS Standalone financial statements, including summary of the significant accounting policies and other explanatory information (hereinafter referred as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total 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 Standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 Standalone 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 auditor's report thereon. These reports are 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 in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall act in accordance with applicable laws and regulations.

**Responsibilities of management and those charged with governance for the Standalone 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

## THIRTIETH ANNUAL REPORT

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preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the other accounting principles generally accepted in India., including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 with reference to financial statements 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 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.

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

- 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 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 Requirement**

- 1) As required by the Companies (Auditor's 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;
- 2) As required by Section 143(3) of the Act, 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, 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - g) With respect to the other matters 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 on its financial position in its standalone financial statements. (Refer Note No 33 to standalone financial statements)
    - ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
    - iii. As explained, there have been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

**ATUL GARG**  
*Partner*  
Membership No.070757

Place : Kanpur  
Date : 3rd June, 2019

## THIRTIETH ANNUAL REPORT

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

The Annexure – ‘A’ referred to in our Independent Auditors’ Report of even date to the members of the “Standard Surfactants Ltd” on the standalone financial statements for the year ended March 31, 2019, we report that :

**i) In respect of its fixed assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The management has verified major fixed assets during the year and as explained there is no material discrepancy on such verification.
  - (c) The title deeds of the immovable properties, as disclosed in the financial statements, are held in the name of the company.
- (ii) The inventories (except goods in transit) have been physically verified by the management at reasonable interval during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- (iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loan secured or unsecured to the companies, firms, limited liability partnership and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the order is not applicable to the company.
- (iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the company has not granted any loans, or provided any security or guarantee to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made or loans or guarantee or security provided to the parties covered under section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits as defined in Companies Act, 2013. 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) The cost records are not required to be maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 under section 148 of the Companies Act .
- (vii) (a) According to the information and explanations given to us and based on our examinations of the records, in our opinion, 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, value added tax, 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, 2019 outstanding for a period of more than six months from the date they become payable except Income Tax Liabilities amounting Rs. 52040/-
- (b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, which have not been deposited on account of any dispute, are as referred in “Annexure “A1”
- (viii) According to the information and explanations given to 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, the company did not raise any money by way of initial public offer or further public offer and the term loans raised by the company have been utilized for the purpose for which they were raised.

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**STANDARD SURFACTANTS LTD.**

CIN: L24243UP1989PLC010950

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees was noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examinations of the records, the company has not made any preferential allotment or private placement of shares or any other security during the year .
- (xv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not entered into any non-cash transactions as specified u/s 192 of the Act, with its directors or persons connected to him. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of paragraph (xvi) of the Order is not applicable to the company.

**For ATUL GARG & ASSOCIATES,***Chartered Accountants*

Firm Regn. No.: 001544C

**ATUL GARG***Partner*

Membership No.070757

Place : Kanpur

Date : 3rd June, 2019

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

(The Annexure – 'B' referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019)

We have audited the internal financial control with respect to financial statements of Standard Surfactants Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

**Management's Responsibility for internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's

polices, 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 ("the Act").

## THIRTIETH ANNUAL REPORT

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### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial control with respect to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with respect to financial statements was established and maintained and if 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 with respect to financial statement 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 internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 control system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls with respect to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with respect to financial statements includes those policies and procedures that

- (1) Pertain to the maintenance of records that , in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company;
- (2) Provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (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 statement.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system with respect to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control with respect to financial statements 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.

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

**ATUL GARG**  
*Partner*  
Membership No.070757

Place : Kanpur  
Date : 3rd June, 2019