

# THIRTIETH ANNUAL REPORT

## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors present the Thirtieth Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2019, Consolidated performance of the Company and its associates has been referred to wherever required.

### FINANCIAL RESULTS

	(Rs. in Lacs)		(Rs. in Lacs)	
	STANDALONE		CONSOLIDATED	
	Current year ended on 31.03.2019	Previous Year ended on 31.03.2018	Current year ended on 31.03.2019	Previous Year ended on 31.03.2018
<b>Revenue from Operations</b>				
Revenue from Operations	11,724.24	8,900.16	11,724.24	8900.16
Other Income	29.39	18.90	29.39	18.90
<b>Total Revenue</b>	<b>11,753.63</b>	8,919.06	<b>11,753.63</b>	8,919.06
Profit before Interest and depreciation	298.48	267.54	298.48	267.54
Finance Cost	129.17	121.11	129.17	121.11
Depreciation	45.21	47.22	45.21	47.22
<b>Profit/(Loss) before tax</b>	<b>124.10</b>	99.21	<b>124.10</b>	99.21
Share of Associates	-	-	(0.59)	0.46
<b>Profit/(Loss) after share of associates</b>	<b>124.10</b>	99.21	<b>123.51</b>	99.67
<b>Tax Expenses-</b>				
Current Tax	39.48	31.92	39.48	31.92
Income Tax Adjustments	(2.99)	-	(2.99)	-
Deferred Tax	4.16	(28.89)	4.16	(28.89)
Profit for the period before share of profit associate	83.45	96.18	82.86	96.64
Other comprehensive income	(0.41)	0.30	(0.56)	0.30
<b>Net Profit/(Loss) for the period</b>	<b>83.04</b>	96.48	<b>82.45</b>	96.94

### OPERATIONAL REVIEW:

On Standalone basis revenue from operations during the year has increased from Rs. 8900.16 Lacs to Rs. 11724.24 Lacs in comparison to previous year (according to IND- AS Financial Statements).

Net profit for the period decreased to Rs. 83.04 Lacs from Rs. 96.48 Lacs calculated on Standalone basis. However, on the basis of consolidation the net profit after tax is Rs. 82.45 Lacs. (According to IND- AS Financial Statements).

Finance cost increased for the year to Rs. 129.17 Lacs from Rs.121.11 Lacs in the previous year. (According to IND- AS Financial Statements).

Depreciation was at Rs. 45.21 Lacs as against Rs. 47.22 Lacs in the previous year. (According to IND- AS Financial Statements).

### DIVIDEND:

Based on Company's performance your Directors do not recommend any dividend for the year, to strengthening the fund.

### 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.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

### **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, Mr. Abhishek Mehrotra and Mr. Satya Prakash Tayal ceased to be Independent Director of the company w.e.f. 17.11.2019 and 01.01.2019 respectively. In addition to this, Dr. Rajinder Pal Singh was appointed as an Addition Director (Independent) w.e.f.14.02.2019.

Further, Mr. Ankur Garg is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. Garg, aged 41 years, is a Chartered Accountant and commerce graduate. He has been guiding the company's financials for about 12 years. Under his able leadership company's financials has been improved considerably.

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 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 is available at the website of the company at [http://www.standard surfactants.com/flash/MGT\\_9\\_FinancialYear\\_2018\\_19.pdf](http://www.standard surfactants.com/flash/MGT_9_FinancialYear_2018_19.pdf), in terms 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 33rd 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 2018-19. 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 M. Maheshwari & Company, Chartered Accountants, Kanpur as the Internal Auditors of the Company for the year 2018-19. Their report was placed before the Audit Committee of the Company from time to time.

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### **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.

### **INDEPENDENT DIRECTOR'S MEETING:**

The Independent Directors met on 30th March, 2019, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **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, 2019. 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 the Listing Agreement, 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 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 are no materially significant 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.

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## STANDARD SURFACTANTS LTD.

CIN: L24243UP1989PLC010950

### 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 at [http://www.standardsurfactants.com/flash/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.standardsurfactants.com/flash/Nomination_and_Remuneration_Policy.pdf).

### 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.standardsurfactants.com](http://www.standardsurfactants.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 31st March, 2019 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:

Yours 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

Place : Kanpur  
Date : 14.08.2019

ANKUR GARG  
*Whole time Director*  
DIN No. 00616599