



**SHREE PUSHKAR**  
CHEMICALS & FERTILISERS LTD.

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-19**



CIN: L24100MH1993PLC071376

# CONTENTS

Corporate Information	1
Chairman's Letter	2
Brief profiles of Directors and Key Managerial Personnels	4
Directors' Report & Management Discussion and Analysis Report	7
Corporate Governance Report	42
Standalone Financial Statements	57
Consolidated Financial Statements	111
Notice calling Annual General Meeting	165
Route Map for Annual General Meeting	173
Attendance Slip & Proxy Form	175

## ANNUAL GENERAL MEETING

***Date: 23rd September, 2019 at 3.00 p.m.***

***Venue: Brijwasi Palace Hall, Brijwasi Estate, Sonawala Road,  
Goregaon (East), Mumbai-40063***

The Annual Report copy will be available on Company's website address at <http://shreepushkar.com/investor-center/> to download and for information purpose.



## CORPORATE INFORMATION

**CIN: L24100MH1993PLC071376**

### BOARD OF DIRECTORS

Mr. Punit Makharia- Chairman & Managing Director  
Mr. Gautam Makharia- Joint Managing Director  
Mr. Nirmal Kedia – Independent Director (Appointed w.e.f. 7<sup>th</sup> August, 2018)  
Mr. Ramakant Nayak – Independent Director  
Mr. Dinesh Modi – Independent Director  
Mr. Satpal Kumar Arora – Independent Director (Appointed w.e.f. 5<sup>th</sup> November, 2018)  
Mrs. Ranjana Makharia- Non-Executive Director

### CHIEF FINANCIAL OFFICER

CA Ratan Jha  
(Upto 19<sup>th</sup> June, 2019)

### CHIEF FINANCIAL OFFICER

CA Deepak Beriwalla  
(Joined w.e.f. 3<sup>rd</sup> June, 2019)

### COMPANY SECRETARY

CS Satish Chavan

### INTERNAL AUDITOR

M/s. AIMV & Associates  
(Upto 1<sup>st</sup> April, 2019)

### INTERNAL AUDITOR

PKT & CO.  
(Joined w.e.f. 1<sup>st</sup> April, 2019)

### STATUTORY AUDITORS

M/s. S K Patodia & Associates  
Chartered Accountants

### COST AUDITOR

Mr. Dilip Bathija  
Cost Accountant

### SECRETARIAL AUDITOR

M/s. DSM & Associates,  
Company Secretaries

### REGISTERED OFFICE:

301-302, 3rd Floor, Atlanta Center,  
Near Udyog Bhavan Sonawala Road,  
Goregaon East, Mumbai-400063  
Tel: 022-42702525.

### BANKERS:

1. State Bank of India
2. Axis Bank Ltd.
3. IDBI Bank Ltd.

### FACTORY

Unit No.

- I B-102/103, MIDC Lote Parshuram,  
Taluka Khed, Dist. Ratnagiri,  
Maharashtra, India.
- II D-25 MIDC Lote Parshuram,  
Taluka Khed, Dist. Ratnagiri,  
Maharashtra, India.
- III B-97, MIDC Lote Parshuram,  
Taluka Khed, Dist. Ratnagiri,  
Maharashtra, India.
- IV D-18 MIDC Lote Parshuram,  
Taluka Khed, Dist. Ratnagiri,  
Maharashtra, India.

### REGISTRARS & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

1st floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
(Next To Keys Hotel),  
Marol Maroshi Road,  
Andheri East, Mumbai – 400059  
Tel : 91-22-62638200.  
E-mail: investor@bigshareonline.com





## From the Chairman's Desk ...



### Dear Shareholders,

It gives me great pleasure to welcome you all to the 26<sup>th</sup> Annual General Meeting of Shree Pushkar Chemicals & Fertilisers Limited. I would like to thank you for sparing your valuable time to be with us today, and for your continued faith in the Company. I am greatly honoured by the trust and confidence reposed in our company and our Board by you all.

Shree Pushkar's financial performance during FY19 has been presented in comprehensive detail in the Annual Report that is already in your hands. What is heartening is the fact that inspite of all odds, we have still continued to maintain a steady growth which has been an assimilation of the performance across all our product verticals as also our subsidiary 'Kisan Phosphates Pvt. Ltd.'

The most important aspect that I wish to highlight is the determination and commitment which our Executive Management displayed throughout the year. A special emphasis needs to be made here is the conservation of the fund at our disposal, resorting to minimal borrowing inspite of a fairly good availability of working Capital facilities from our Bankers. This has also been a hallmark for Shree Pushkar, and we take pride in the same.

During the year, Shree Pushkar further strengthened its branding with our existing tagline of '**Zero Waste**', with the addition of '**Dyecol – the chemistry behind colors**' which highlights the credential of the Company in terms of its business model on the one part and the quality-

control of our products in terms of accreditation of **Bluesign** as a system partner, ZDHC Contributor, & GOTS – **The Global Organic Textile Standard**. Your company thus enjoys the trust with its valued customers, bankers, shareholders, business associates and vendors alike. It is indeed this 'Trust' that we strive for, which the Company has diligently built over the last 2 decades with all its stakeholders culminating to 'The Shree Pushkar' what it is today.

All this have been achieved on the backdrop of a global economic slowdown. The prevailing economic scenario has brought about an atmosphere of uncertainty, touching all major global economies. The international political scenario has been gloomy with the heightening trade war between the two largest economies, affecting the entire world. The hanging BREXIT, the unrest in Hong Kong, the emerging trade war between Japan & South Korea, the slowdown of the economy in Germany & Italy, all this have kept all the major economies affected, leading to a shrinking consumer demand globally.

Back home, we have been witnessing flight of capital by Foreign Investors, affecting our stock markets very badly, leading to a continues fall in stock prices across industries over the last nearly a year.

Inspite of all these odds, if you view the operational performance of the year, you will observe that the performance has been quite satisfactory. The product volumes in the Dyes and Intermediates verticals have registered a significant growth. As you are aware that in addition to the marketing of generic dyes, we had introduced last year our own brand under the name of "DYECOL", the brand has received a good response from the market and we are not only marketing the product in the domestic market but also have good response from countries like Switzerland, Austria, Bangladesh, Singapore, Korea, Taiwan, etc were we are exporting our products regularly, resulting in increased exports which has gone up around 3 folds to Rs.91.54 Crs at 20.26% of the overall sales when compared to Rs. 31.52 Crs at 7.97% of the sales during the preceding year. The production levels of Intermediates, though not apparent on the surface, has had a good growth clocking an average utilisations of over 90%, and after meeting the increased captive consumption for the manufacture of dyes it has registered fair growth in sales volumes along with better price realizations.

The performance of the fertilisers division was subdued mainly on account of erratic rains in certain parts of the state which witnessed low to scanty rains, resulting in unsatisfactory performance on a stand-alone basis. We could however substantially mitigate the same on account of better price realizations, and our satisfactory sales in Northern India through our subsidiary namely Kisan Phosphates.

On the whole the overall performance on a consolidated basis has been fair achieving a growth in the range of 13% as compared to the preceding year.

I have pleasure in announcing that the 100 TPD Sulphuric Acid plant in Kisan Phosphates along with the 750 KW captive power plant has been commissioned in March 2019 and is operating satisfactorily. This addition would help us in a big way in improving the top as well as bottom lines of the company in the coming years.

I also take pleasure in announcing the following expansions totally estimated at Rs. 118.00 Crs.



1. Our move for acquiring one more SSP plant in MP through NCLT under the IBC code. The plant has an installed capacity of 1,50,000 MTA. We have been adjudged the highest bidder and our offer has also been accepted by the Committee of Creditors (CoC) and we are awaiting the final orders of the NCLT which is expected shortly. With this acquisition, we would be in a position to cover up a major portion of the belt starting from UP, Himachal, Haryana and Rajasthan in the North through MP, Chhattisgarh, parts of Eastern Gujrat, in central India, reaching up to Goa and Karnataka in the south. This would make our presence quite significant in the Fertiliser market of the country with an installed capacity of 3,50,000 MTA of SSP along with our auxiliary products of "Dharti Ratan" & "Pashu Ahar". Thus with our original entry in the fertiliser division with SSP way back in 2012, with the basic intention of utilising our spent acid, the division has now become a full-fledged Product vertical, which in the years to come would contribute over 20% to our top line. The total investment in the Company is estimated at Rs. 28.20 Crs to be met through internal accruals.

2. Another small but equally significant move is our project of getting into Non-Conventional Energy namely into solar power exclusively to meet our captive needs through "Open Access scheme" of the government. The Capital Cost is estimated at Rs. 10.00 crs, to be met through internal accruals.

As you might be aware that we have been spending sizably towards electrical power, which accounts for nearly 5% of our manufacturing expenses. At our unit-1 we on an average are spending about Rs. 10.0 Crs towards power bill per annum, and the power tariff is as high as Rs. 9.75 per unit consumption. While with the solar generation the operational cost per unit would be as low as Rs. 2.00, thus effecting a saving of Rs. 7.75 per unit of generation.

3. We have also taken up revamping of our unit-1, which is the oldest unit in our stable, and needs revamping of some of the old plants which are 15 to 20 years old. The estimated cost for the same is estimated at Rs. 5.0Crs.

4. As regards the implementation of the expansion by way of our 5<sup>th</sup> unit at the estimated cost of Rs. 75Crs, we have had an overall delay in the implementation of our project by about 6 to 8 months due to change in the classification of the MIDC Ind. Area at Add. Lote from Chemical to Non-Chemical zone. We were therefore forced to shift our expansion of unit-5 to a recently acquired additional Plot bearing No. D-10 in MIDC Lote. We have therefore surrendered the earlier allotted plot at B-29, Add. Lote MIDC and in its place have been allotted a new plot in MIDC Lote, which is now being kept for our future expansion. Though at the face of it, this may appear to be a setback with regard to the time lost, however it has its own silver lining in as much as we are no longer resorting to the issue of Convertible warrants as was originally proposed but are now meeting the entire cost of through internal accruals, leading to non-dilution of equity, resulting in higher EPS and valuation to existing shareholders. Further the availability of infrastructure like power & Water at our new plot site at D-10 MIDC Lote would be much easier, besides the fact that in view of the overall slowdown in the economy, we have gained sufficient time to plan our expansions in a timely manner. On the whole I may say, Shree Pushkar today is now better placed for the expansion than earlier.

I also take the pleasure of announcing that your Board of Directors has recommended a dividend payout of 15% amounting to Rs. 1.50 per share for the FY 2018-19.

I once again thank you for your support and I sincerely look forward to your continued support in the future as well. I also express my heartfelt thanks to my colleagues and team at Shree Pushkar without whose active support; it would not have been possible to reach the current stage.

**Thank You,**

**Punit Makharia**  
**Chairman & Managing Director.**



**Brief Profile of our Board Of Directors and Key Managerial Personnel:**



**Mr. Punit Makharia,**

**(Chairman & Managing Director)**

Aged 48 years, a resident Indian national, is the Chairman and Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelor's degree in Commerce from Mumbai University. He has more than two decades of experience in the chemical industry and specialises in the sector of dyes, dye intermediates and fertilizers. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations for our Company.



**Mr. Gautam Makharia,**

**(Joint Managing Director)**

Aged 45 years, a resident Indian national, is the Joint Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelor's degree in Electronics and Telecommunications from Mumbai University and Master's degree in Business Administration from Manchester Business School, University of Manchester, United Kingdom. He has more than 16 years of experience in the chemical industry and specialises in the sector of dyes, dye intermediates and fertilizers. He is responsible for the production and quality control maintained by our Company at our manufacturing facilities situated in Lote Parshuram, Rathnagiri, Maharashtra. He also assists in formulation of corporate policy and strategies for our Company.



**Mr. Ramakant Nayak,**

**(Independent Director)**

Aged 74 years, a resident Indian national, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Science from Karnataka University, a Bachelor's degree in Law from University of Mumbai and a Diploma in Marketing and Advertising from Rajendra Prasad College of Mass Communications & Media. He is an associate member of The Indian Institute of Bankers. He has more than four decades of experience in the financial services industry particularly commercial banking, manufacturing industry and realty industry.



**Mr. Dinesh Modi,**

**(Independent Director)**

Aged 68 years, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Commerce from University of Bombay. He is also a law graduate from University of Bombay. He is a fellow member of the Institute of Company Secretaries of India. He has about four decades of experience in the field of corporate compliance and secretarial practice.



**Mr. Satpal Kumar Arora**

**(Independent Director. Joined w.e.f. 5th November, 2018)**

Aged 60 years, is a Non-Executive and Independent Director on the Board of our Company. He holds CAIIB (Both Parts) Indian Institute of Bankers along with he has also completed M.com CS, CMA, LLB, Insolvency Professional etc. He is Managing Committee Member of PHD Chamber Of Commerce. He has about 35 years of experience in the field of corporate industry as a Director, Company Secretary, Headed Internal Audit, Corporate Advisory Department and Vigilance Department, Project financing, loan restructuring etc. also handled BIFR cases and litigation matters.



**Mr. Nirmal Kedia.**  
**(Independent Director)**

Aged 49 years, a resident Indian national, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Commerce from University of Bombay. He has more than two decades of experience in the field of Management, Finance, chemicals, Castings, Engineering, Construction and Software Industry.



**Mrs. Ranjana Makharia**  
**(Non Executive Director)**

Aged 46 Years, resident Indian national and she is Non-Executive Women Director on the Board of our Company. She is one of promoters of the Company and has joined our Company on 10th February, 2017 as Women Director. She holds Bachelor Degree in Arts (Economics) from Mumbai University. She also has an advance degree in practicing Emotional freedom technique (EFT) and is a certified Clinical Hypnotherapist. She is a very good CSR activist in the field of Education and EFT to below poverty lines since last 15 years and will be assets to the Company in the field of human resources purpose.



**Mr. Soumendra Nath Sengupta.**  
**(Associate Director)**

Aged 74 years is Associate Director - (Corporate Planning, Financial Planning, Project Implementation) of our Company. He holds a Bachelor's degree in Science from University of Bombay. He has also done Post Graduation Diploma Course in Business Management from Marathwada University. He is an Associate Member of the Indian Institute of Chemical Engineers since 1986. He has an experience of around 34 years in project financing and techno economic feasibility studies of industrial projects, and has also played a major role in setting up a merchant banking division in Maharashtra State Financial Corporation. He joined our Company as an Associate Director on August 1, 2007. Prior to joining our Company, he was working with Maharashtra State Financial Corporation and held various senior positions in the organizations like Regional Manager and also officiated as Zonal Manager and Chief of technical wing until his retirement from MSFC.



**Dr. N. N. Mahapatra.**  
**(Business Head – Dyes, Joined w.e.f. 1st August, 2018)**

Aged, 60 years is the Business Head (Dyes) of Our Company. Dr. Mahapatra is a B.Sc (Tech) in Textile Chemistry from UDCT, (now ICT) Mumbai. He also holds M.Sc and Doctorate in Applied Chemistry from Utkal University, Orissa. He did his M.B.A from I.M.M, Kolkata. He joined our Company on 1st August, 2018 as Business Head (Dyes). Dr. Mahapatra is having 35 years of experience in textile industries in India and abroad. He has worked in all big textile houses like Birla's (Both Aditya Birla and KK Birla group), Reliance Industries Ltd, Raymond (Kenya) Churchgate Group (Nigeria) etc. in various senior capacities.



**Mr. Ratan Jha.**  
**(Chief Financial Officer, Upto 19th June, 2019)**

Aged 34 years is the Chief Financial Officer of our Company. He holds a master's degree in commerce from University of Mumbai. He is also a qualified Chartered Accountant. He joined our Company on April 10, 2012 as Chief Accountant. He was reappointed as Chief Financial Officer of our Company on June 20, 2013. He has an experience of 8 years in accountancy and taxation. Prior to joining our Company, he was working with one of the reputed Merchant Bankers in Mumbai, where he gained experience in various corporate and strategic business activities along with handling his core domain of accounts, audit and assurance.





**Mr. Deepak Beriwal,**

**(Chief Financial Officer, Joined w.e.f. 3rd June, 2019)**

Aged 31 years is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Rajasthan. He is a qualified Chartered Accountant and Company Secretary. He joined our Company on June 03, 2019 as Chief Financial Officer. He has an experience of more than 6 years in finance, accountancy and taxation. Prior to joining our Company, he was working with one of the reputed Shipping industry in Mumbai, where he gained experience in various corporate and strategic business activities along with handling his core domain of accounts, audit and assurance



**Mr. Satish Chavan,**

**(Company Secretary)**

Aged 31 years is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor's degree in Commerce from Shivaji University, Kolhapur. He has also obtained Bachelor's degree in Law from Pune University. He is a qualified Company Secretary. He has joined our Company on June 6<sup>th</sup>, 2016. He has an experience of more than 5 years in corporate compliance and secretarial matters. Prior to joining our Company, he has served as Company Secretary in a listed Company and has held senior positions in various reputed organizations.





## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

To,

The Members,

**Shree Pushkar Chemicals & Fertilisers Limited**

Your Directors have pleasure of presenting the 26<sup>th</sup> Annual Report of your Company along with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2019. The Management Discussion and Analysis is also included in this report.

### 1. SUMMARY OF FINANCIAL RESULTS:

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2019 is summarized below:

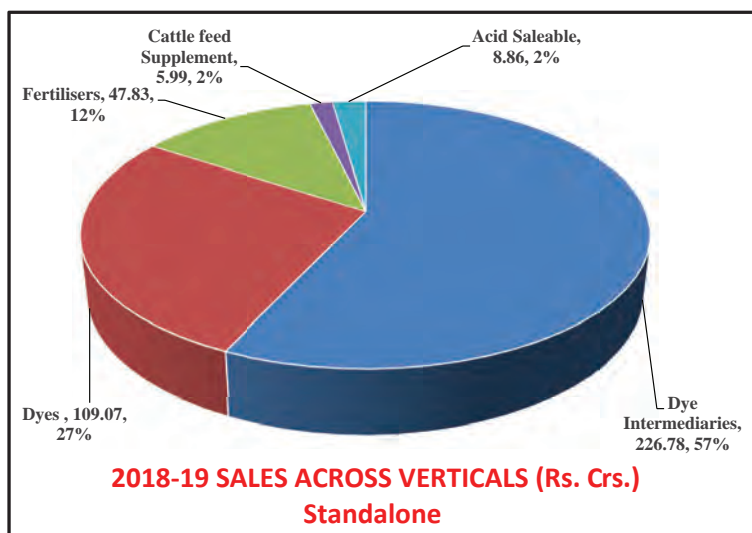
(Rupees in Lacs)

PARTICULARS	YEAR ENDED 31/03/2019	YEAR ENDED 31/03/2019	YEAR ENDED 31/03/2018	YEAR ENDED 31/03/2018
	Consolidated	Standalone	Consolidated	Standalone
<b>Total Revenue</b>	45433.85	40261.60	39,707.58	37,194.25
Profit Before Interest, Depreciation & Tax	6952.36	6092.06	6,287.61	5,885.35
Depreciation for the year	996.17	821.44	779.50	691.20
Interest Cost	371.38	200.94	285.93	228.02
<b>Profit Before Taxation</b>	<b>5584.81</b>	<b>5069.68</b>	<b>5,222.18</b>	<b>4,966.13</b>
Provision for Income Tax	905.96	799.91	(1,355.93)	(1,290.00)
Provision for Deferred Tax	592.96	623.23	(220.62)	(359.08)
MAT Credit Entitlement availed	-	-	9.73	-
<b>Profit After Taxation</b>	<b>4085.89</b>	<b>3,646.54</b>	<b>3,655.36</b>	<b>3,317.05</b>
Add: Profit Brought Forward from Previous Year	13,710.91	13,372.60	10,601.12	10,601.12
Less: Dividend Including Dividend Distribution Tax	-	-	(545.57)	(545.57)
<b>Balance carried to Balance Sheet</b>	<b>17,796.80</b>	<b>17,019.14</b>	<b>13,710.91</b>	<b>13,372.60</b>
<b>RATIOS:</b>				
(i) Debtors Turnover (Times)	4.62	4.5	4.62	4.7
(ii) Inventory Turnover (Times)	7.29	11.4	4.82	5.9
(iii) Interest Coverage Ratio	24.30	30.45	16.95	25.93
(iv) Current Ratio	2.21	3.03	1.56	1.82
(v) Debt Equity Ratio	0.03	0	0.01	0
(vi) Operating Profit Margin (%)	12.3%	12.7%	13.2%	13.4%
(vii) Net Profit Margin (%)	9.0%	9.1%	9.2%	9.0%

### 2. OPERATION OF COMPANY AND SUBSIDIARY COMPANY:

During the year under review, the Consolidated Revenue from operations of your company has been at Rs. 45,433.85 Lacs recording a growth of 14.4% from last year's revenue of Rs. 39,707.58 Lacs. It may be recalled that the takeover of M/s Kisan Phosphate Pvt. Ltd. (KPPL) has been in mid-October 2017, and the FY2018-19 has been the first full year of operation for KPPL under the new management. The Sales contribution of KPPL has been commendable at Rs.5,726.27 Lacs, all products being sold under "Shree Pushkar" Brand. Further with the commissioning of the Sulphuric Acid plant in March 2019, the contribution from KPPL in the coming years would be substantially more.

As regards the standalone performance of your company the gross receipts have been at Rs.40,261.60 Lacs recording a growth of 8.25 % over the preceding year. The exports during the year have been at Rs.9,154.00 Lacs, as against





Rs. 3,152.00 lacs in the preceding year, an increase of 290%, which has mainly been on account of exports of Dyes and Intermediates. Considering our current imports, in terms of Rock Phosphate and other chemicals amounting to Rs.30.02 Crs, our gross exports are much higher to our imports, we have thus achieved the distinction of being a net Exporter.

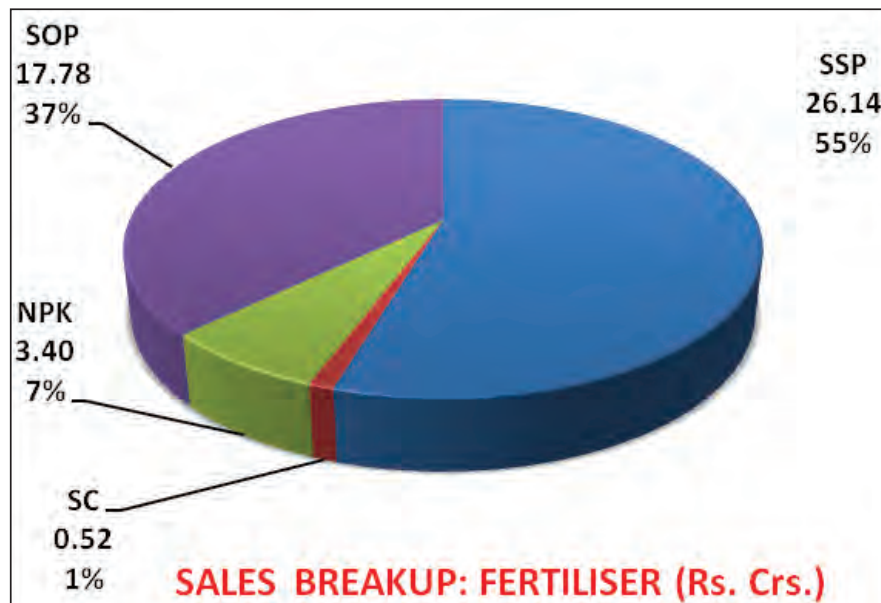
The overall growth in sales during FY 2018-19 over that of the preceding year has been marginal. The sales in the Dyes & Intermediate divisions in value terms have recorded an increase of around 11.5% though in terms of volume there has not been any significant increase, indicating a better price realisation in these divisions.

The Dye-intermediate division had a fairly good growth in production volumes clocking around 96% capacity utilisation, however in view of the increased captive consumption for manufacture of Dyes; the saleable volumes have been comparatively low. Further, on account of improvement in the prices of intermediates during the year, the Revenue realisation from intermediates has improved by about 13.2%.

The segment wise sales across the 5 product verticals as compared to the preceding year have been as under:

	2018-19		2017-18		Growth		% share of Revenue
Division	Qty MT	Rs. Crs.	Qty MT	Rs. Crs.	Volume	Revenue	
Dye Intermediates	6,433.00	226.78	6,569.00	200.31	-2%	13%	57%
Dyes	3,672.00	109.07	3,424.00	101.15	7%	8%	27%
Fertilisers	33,436.00	47.83	55,063.00	54.05	-39%	-12%	12%
Cattle Feed	2,070.00	5.99	2,340.00	6.09	-12%	-2%	2%
Acid (Saleable)	8,085.00	8.86	14,221.00	7.74	-43%	14%	2%
		398.53		369.34			100%

From the aforesaid it can be observed that the Dye-Intermediates and the Dyes Divisions both have recorded a fair growth in terms of revenue. The average price realisations have also recorded improvement in both these verticals. As regards the decline in Volume of Dye-Intermediates the same is on account of captive consumption for manufacture of Dyes. As such the overall capacity utilisation of Dye-Intermediates has been around 96%.



With regard to the Fertiliser division, the overall sales of fertiliser during the year under reference was subdued mainly on account of erratic rains in certain parts of the state.. The Sales of fertiliser of your company on a standalone basis has been at 41,702 MT which is about 28% of the overall installed capacity. We could however partially mitigate the same on account of better price realisations.

The individual sales of the products have been as under:

Item	Capacity	Production 2018-19		Utilisation
		Qty MT	Rs. Crs.	
SSP	100,000	33,437	26.14	33%
SC	12,000	811	0.52	7%
NPK	18,000	2,105	3.40	12%
SOP	20,000	5,349	17.78	27%
Total	150,000	41,702	47.84	28%