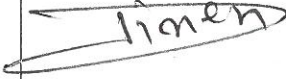



**FORM A**

**(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company	<b>Shakti Pumps (India) Limited</b>
2.	Annual financial statements for the year ended	<b>March 31, 2014</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	To be signed by-	
(a)	Mr. Dinesh Patidar Managing Director	
(b)	Mr. Akhilesh Maru Chief Financial Officer	
(c)	Vinay Gandhi & Associates Mr. Vinay Gandhi Proprietor	For: <b>Vinay Gandhi &amp; Associates</b> Chartered Accountants  Proprietor
(d)	Mr. Navin Sunderlal Patwa Audit Committee Chairman	

CIN:L29120MP1995PLC009327

**SHAKTI PUMPS (I) LTD.**

**SHAKTI**  
PUMPING LIFE

[www.shaktipumps.com](http://www.shaktipumps.com)

SHAKTI :  
THE SOURCE OF HAPPINESS & PROSPERITY

ANNUAL REPORT  
2013 - 2014

***SHAKTI***  
PUMPING LIFE

## Disclosure

The disclosures of forward-looking information contained in this annual report are made to enable investors to comprehend the prospects and make informed investment decisions. This report and other statements – written or oral – may contain forward looking statements that set out anticipated results based on the management's plans and assumptions. Maximum effort has been made to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. However, the entire realization of these forward looking statements cannot be guaranteed, although the assumptions have been prudent enough to rely upon. The achievement of results is subject to risks, uncertainties and unforeseen events. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. The management does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future event or otherwise.

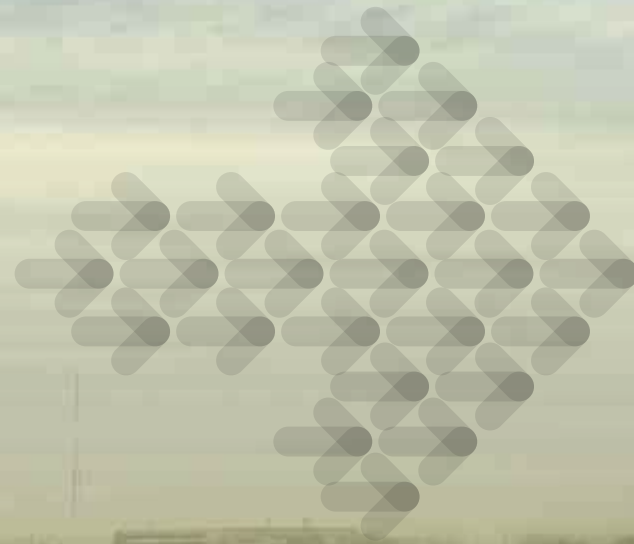
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## Important communication to members

The Ministry of Corporate Affairs has undertaken a 'Green initiative in Corporate Governance' by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including the annual report can be sent by e-mail to members. To support this green initiative of the Government of India, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned depository participants. Members who hold shares in physical form are requested to fill in and forward the e-mail address registration form enclosed separately in this Annual Report to:

Adroit Corporate Services Pvt. Ltd

Unit: Shakti Pumps (India) Limited, 19/20, Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059,  
Ph.: (022) 28594060, 28596060, Fax: (022) 28503748,  
Email: pratapp@adroitcorporate.com



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## Achievements over years

- 1983 - Manufacturing facility set up
- 1986 - Commencement of full - fledged manufacturing unit
- 1989 - Received BIS Certificate
- 1995 - Shakti Pumps becomes a Public Ltd. Company
- 1996 - Manufacturing of stainless steel Submersible Pumps
- 1997 - Export of stainless steel pumps
- 1998 - Received ISO 9001:2000 certification, focus on direct exports
- 2003 - Received the quality 'CE mark'. Exports extended to 20 countries
- 2006 - Received One-Star-Export House Status, Re-certification ISO 9001:2008
- 2007 - Started manufacturing facilities at SEZ Plant Pithampur
- 2008 - Widened pump range up to 250HP and Exports extended to 50 Countries
- 2009 - Received 5 Star Rating Certification from BEE, introduced Booster Pump mechanism
- 2010 - Introduced New Products Openwell Pumps & Resin Cooled Motors
- 2011 - Started trading in NSE
- 2012 - Completion of Booster Pump Unit, with installed capacity of 40,000 Pumps per annum
- 2013 - Launched solar pumping solutions
- 2013- Mr. Amitabh Bachchan, superstar of the millennium, becomes the face of our brand

## Vision

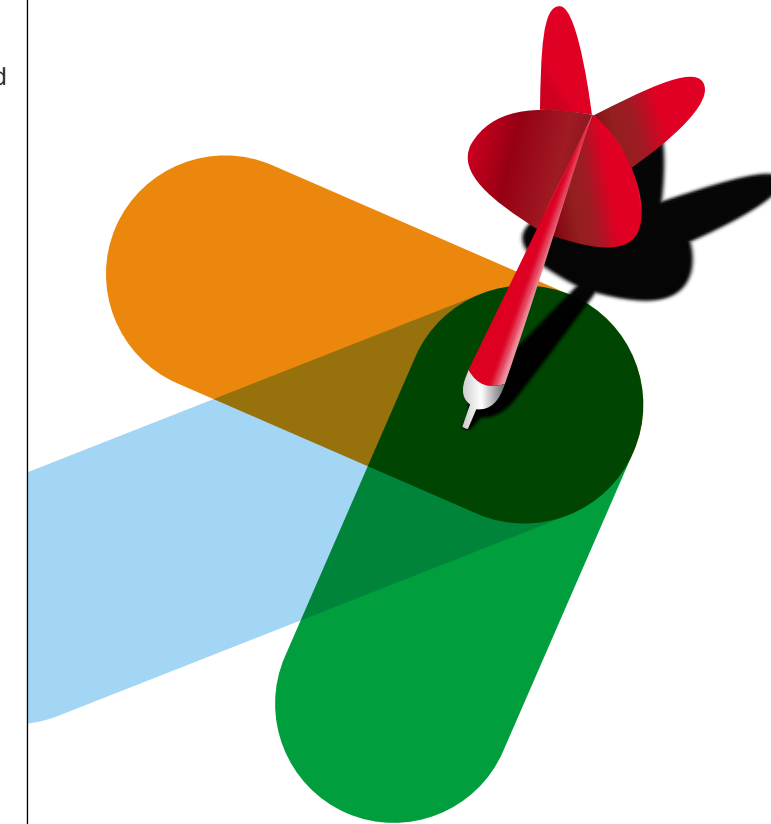
To become a company that constantly strives for quality and customer satisfaction by providing best pumping solutions with global benchmarks. To excel with an emphasis on best business and ethical practices with strong organizational values justifying the interests of all stakeholders.

## Mission

To work relentlessly towards coming closer to our vision statement by offering best working environment and training so as to focus on integrity and ethics. To empower the workforce to offer products and services that exceed customer expectations by providing value for money and ensuring handsome returns to our employees and shareholders thereby contributing to our mission to cross ₹ 5500 crore mark by 2021.

## Quality Policy

Shakti Pumps India Ltd. is committed to achieve total customer satisfaction by manufacturing high quality pumps with global benchmark as also meeting customer expectations by providing timely supply and services to our customers. We shall strive to maintain a high degree of goodwill and brand image to emerge as a market leader in domestic and international markets. We shall strive by providing excellent services to our customers with the help of teamwork and continual improvement of Quality Management Systems-thereby achieving total customer delight.



**Mr. Dinesh Patidar,**  
Chairman & Managing Director



**Board  
of  
Directors**



**Mr. Ramesh Patidar,**  
Executive Director &  
Head, International Marketing



**Mr. Sunil Patidar,**  
Executive Director

**Ms. Pooja Mahajan,**  
Nominee Director  
(Chief Operating Officer,  
IFCI Limited)



**Mr. Navin Sunderlal Patwa,**  
Independent Director  
(Corporate Law Expert)



**Mr. Raj Kumar Jain,**  
Independent Director  
(Information Technology Expert)



**Mr. S.S. Raghuvanshi,**  
Independent Director  
(Ex-Chairman M.P. Pollution Control Board)



## Dear Shareholders,

We are truly proud that as always we have done better than the previous years. We attribute this success to our goal-oriented approach that helped us both in the domestic and international market.

The financial result of our momentum building was solid performance in 2013-14, despite volatile currency and intense competition. Full-year EPS was ₹ 17.39, up over 38.01% compared to the prior year, while total revenue increased 41.4% to ₹ 306.7 Crore. We continue to reward our share-holders with regular dividend and for this year, we have proposed ₹ 2 per share. We will continue to efficiently deploy capital as we seek growth in coming years.

The year 2013-14 was particularly significant as we launched promising products, repositioned our go to market strategy and strengthened our brand. The last couple of years' efforts to expand our product portfolio resulted in launching Shakti Solar Pumps this year. The initial response across various markets has been very encouraging. Our sales also increased manifold in the industrial and household segment. We believe this continued momentum reflects the strategic evolution of our business.

By bringing in Amitabh Bachchan and investing in our Brand Campaign, "Annadata ki Shakti", we have succeeded in achieving higher sales growth in our core area of agriculture sector. We continue to be a leader in exports market of pump industry and increased our presence over 100 countries this year.

Without question, the key to our success in the year 2013-14 was our most valuable asset: Team Shakti. Our momentum of revenue and innovative products is maintained thanks to the dedicated, focused efforts of our more than 1100 employees. We are certainly proud of the stringent quality & innovation methods of our research & development team, which is over & above industry standard worldwide and has helped us attain great heights in the pumps market all over the world.

As we look ahead, our business projections - including plans for 25% growth rate in the top-line - further add to our excitement about the future as we continue momentum. This optimism, above all else, is founded on our unwavering confidence in the expertise and dedication of Shakti's employees around the world.

I wish to thank all the Shakti stakeholders for your ongoing trust and support and motivating us to do better in all the circumstances.

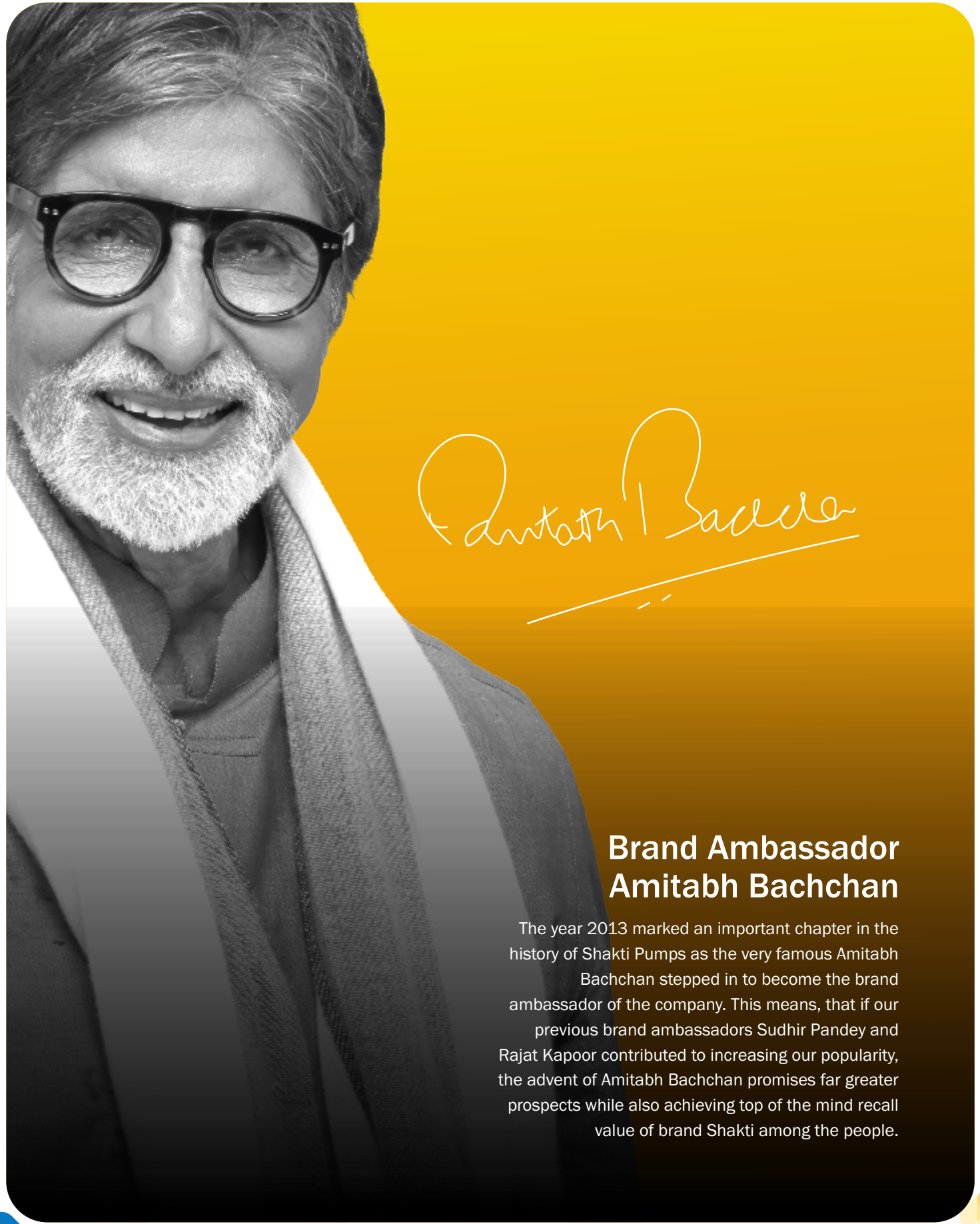
Warm regards,  
Dinesh Patidar  
Chairman and Managing Director



## Growth our sole aim

As we look back on our glorious journey that began in 1982, the one thing that strikes instantly is our sincere efforts at bringing about growth for our customers, be it India or overseas. We have also ensured that this happiness passes on to all in the country, various communities, suppliers, dealers, employees, financial institutions, stakeholders & well-wishers.

We feel proud that our efforts and hard work have led to such commendable results.



*Amitabh Bachchan*

### Brand Ambassador Amitabh Bachchan

The year 2013 marked an important chapter in the history of Shakti Pumps as the very famous Amitabh Bachchan stepped in to become the brand ambassador of the company. This means, that if our previous brand ambassadors Sudhir Pandey and Rajat Kapoor contributed to increasing our popularity, the advent of Amitabh Bachchan promises far greater prospects while also achieving top of the mind recall value of brand Shakti among the people.



Extensive Brand Promotion

"If the pumps are good, they have to reach far & wide," has been the company's policy right since inception.

In compliance with this, Sudhir Pandey and Rajat Kapoor were our brand ambassadors in the initial years. The year 2013 was particularly significant as Amitabh Bachchan entered the scene as our new brand ambassador. The company is confident that the new ambassador & cine star who is famously known both in India & overseas will take the company to greater heights.

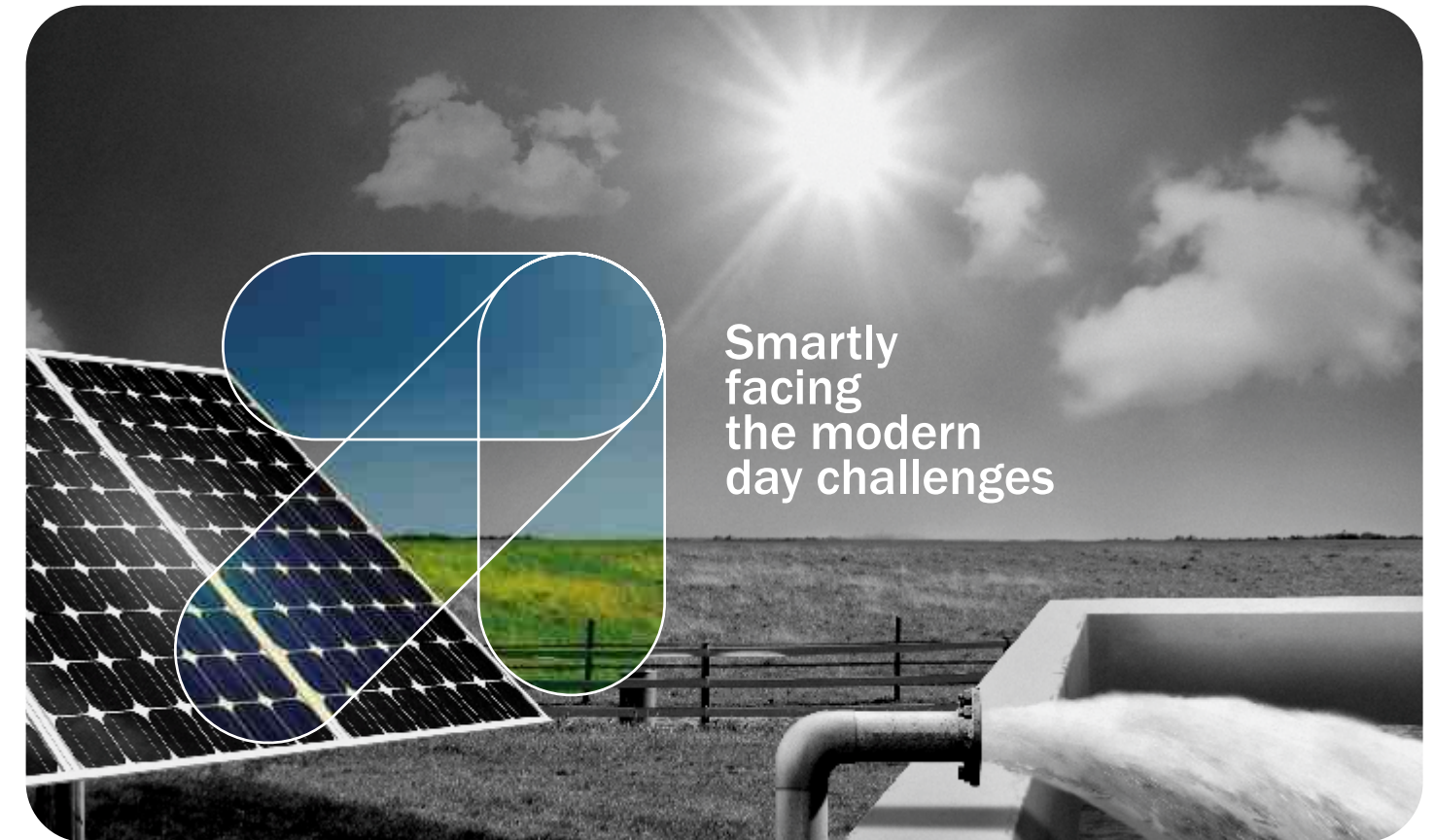
Besides this, we at Shakti Pumps have taken every opportunity to advertise in various media vehicles, for instance-

- **Television:** NDTV, Aaj Tak, CNBC Awaaz, Zee 24 Taas, ETV Rajasthan, IBN Lokmat, etc.
- **Radio:** Big FM, Red FM, Radio City, Radio Mirchi, My FM, etc.
- **Newspapers:** Dainik Bhaskar, Rajasthan Patrika, Lokmat, Nai duniya, Thanti, Sakshi, Sakaal, Indian Express, etc.
- **Magazines:** Air India, India Today, EPC Magazine, Water Today, World Pump India, Construction Buiness Today, Krishak Jagat, Gram Sanskriti, etc.
- **Press Releases:** All leading regional, national & international newspapers & channels
- **Online Promotion:** We have also been regularly advertising on You Tube, Facebook, Twitter & Linked in





## Our very reliable Shakti Pumps at a glance



### Shakti Solar Pump

**Innovation is embedded in our DNA.** We constantly challenge the limits, think beyond the ordinary and come up with innovative pumping solutions that satisfy the needs of customers in a better and an efficient manner. We have a world class R&D facility with ultra-modern equipment.

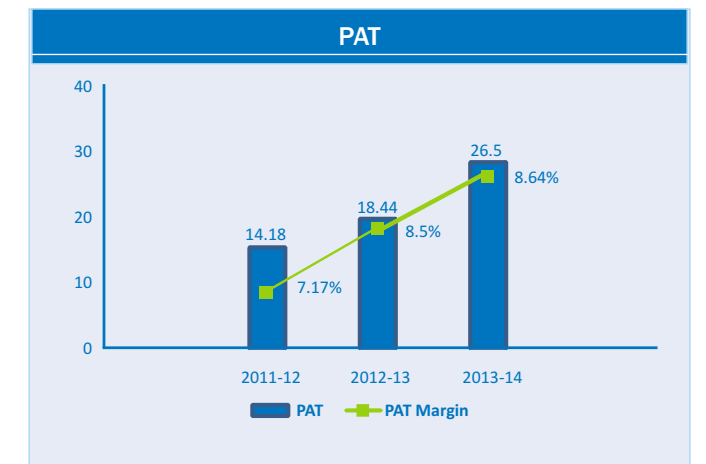
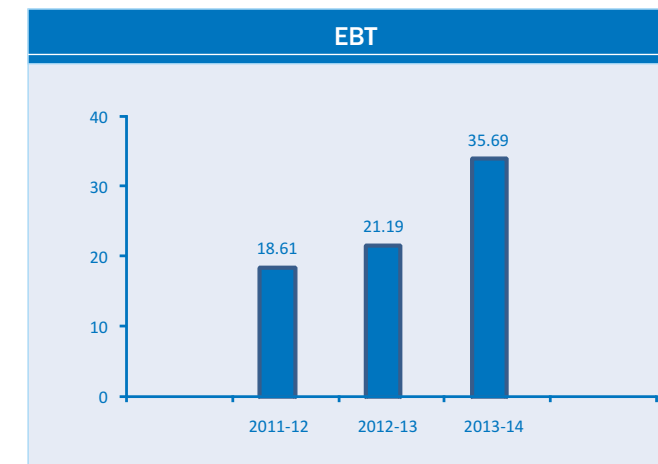
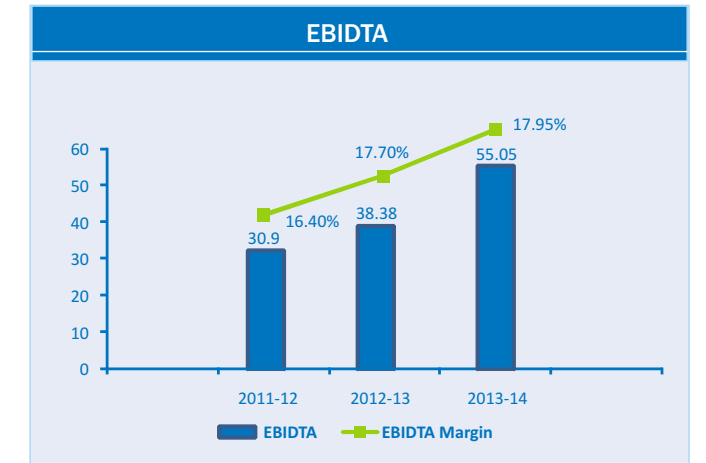
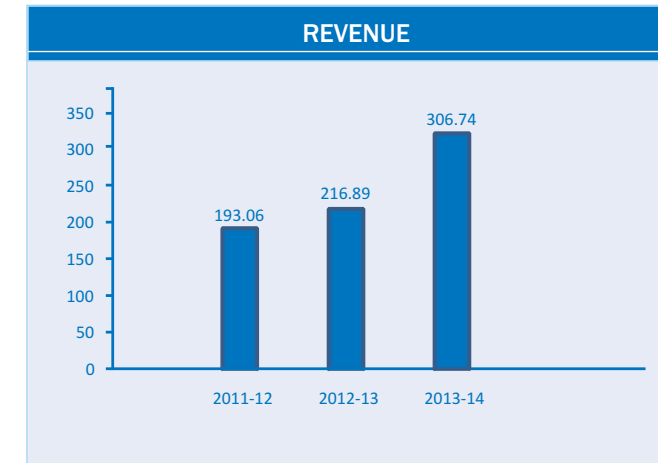
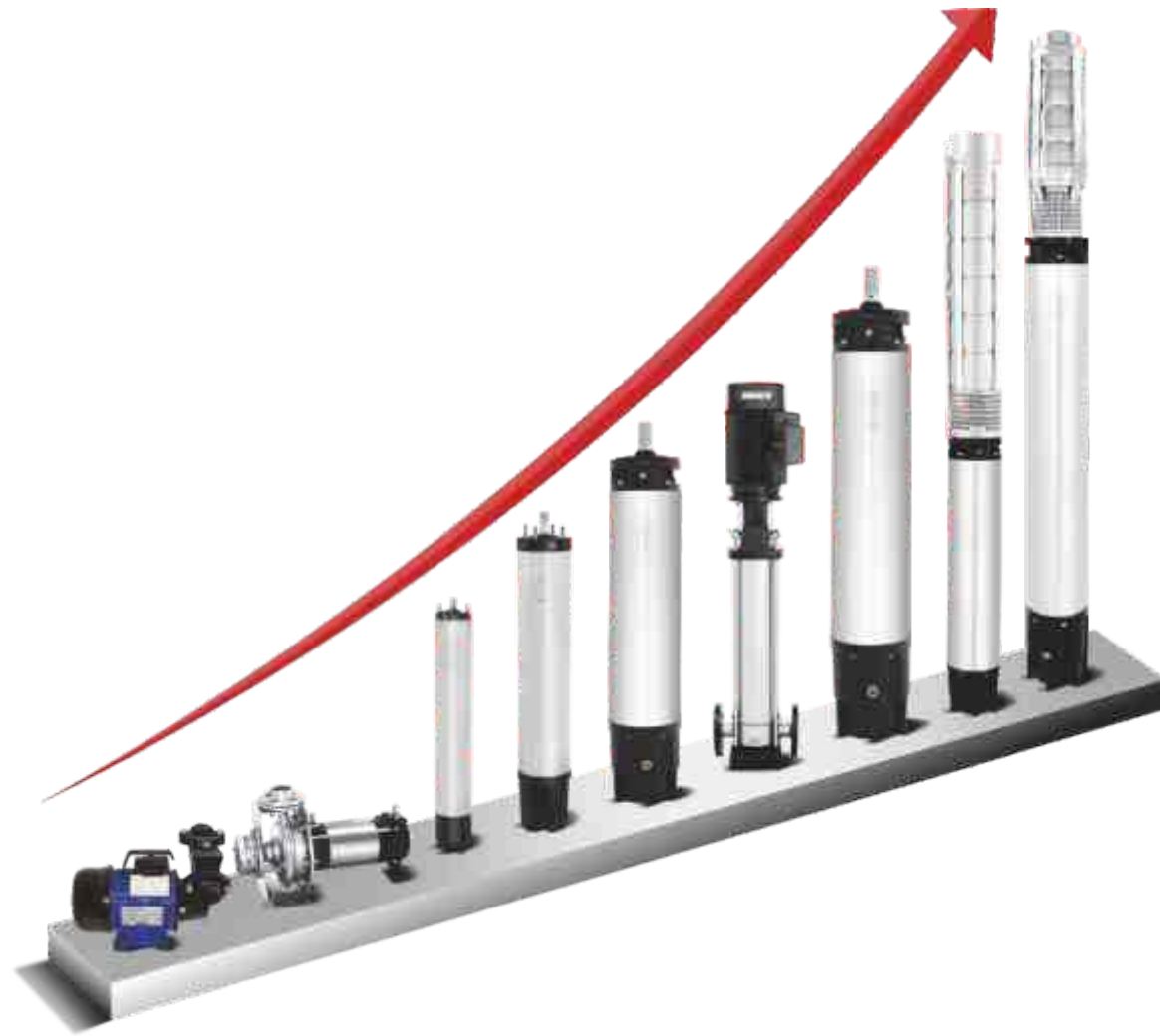
**We were the first company** to present stainless steel pumps in the Indian market, thus bringing a revolution in the sector. Now in an effort to reduce the dependency on the traditional sources of energy, we have come up with Solar Pumps that utilize the energy of the sun to supply water- in the process making farmers and Mother Nature both happy.

**The advantage of Shakti Solar Pump** is that it can run easily & efficiently on both Solar (DC power) & Grid (Conventional AC power), giving a very high discharge for maximum time. This way, Shakti Solar Pump automatically scores over other DC pumps.

**Making a mark, Shakti Solar Pumps:** We feel proud to state that the company is a channel partner for MNRE. And that our Shakti Solar Pumps have been greatly appreciated by Madhya Pradesh, Chhattisgarh & Rajasthan Government for their quality and performance. Not surprising that Shakti Solar Pumps are in great demand in France, Germany, Turkey, Sudan, Morocco & Algeria.

## Operational Highlights & Achievements during 2013-2014

Particulars	2011-12	2012-13	2013-14
EBITDA %	16.40%	17.70%	17.95%
EBIT %	14.11%	15.39%	15.74%
PBT %	9.41%	9.77%	11.64%
PAT %	7.17%	8.50%	8.64%
Return on Equity	16%	17.70%	22.30%
Earnings per share	10.09	12.10	17.39
Book Value Per Share	62.16	68.35	77.97



## Promotional scheme during 2013-2014

The unique "Sone par Suhaga Offer" was organized during the Annadata Mahotsav celebrated from 23rd Dec.'13 - 1st Jan.'14. A free L&T Starter was given to every Shakti Pump buyer.



Foreign Trip



Sone par Suhaga Offer

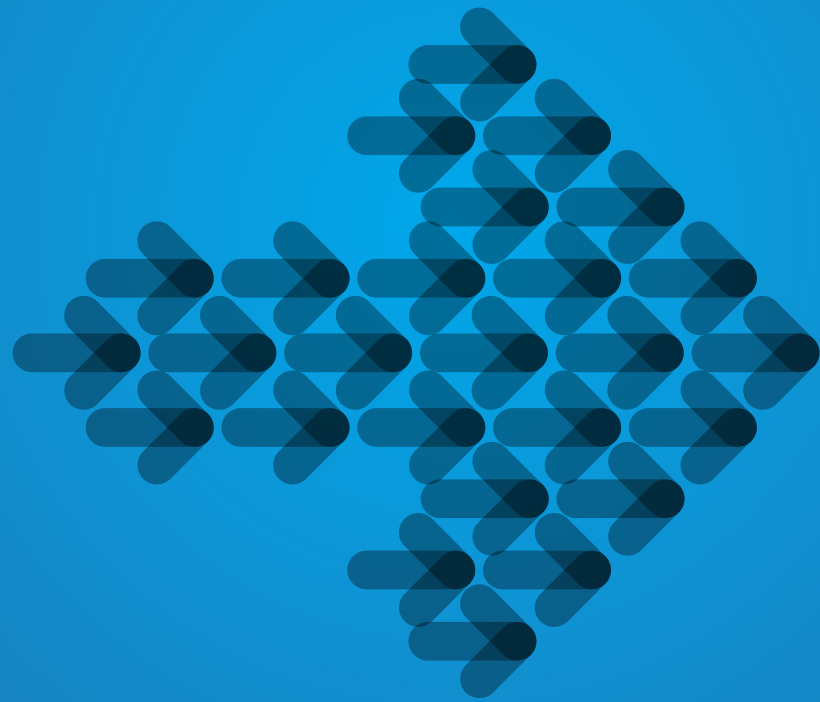


Prize Distribution Ceremony

## Our employees are our strength



Strengthening the bond - organizing various events for employees & their families.





Dealer Awards during 2013-2014

JULY 2013, THAILAND / AUSTRALIA



## Shakti shines at Global Investors Meet (Indore)

Shakti Pumps (I) Ltd. was a proud participant of Global Investors Meet held in Indore. Many industries of international repute participated in this mega meet. The Chief Minister of Madhya Pradesh, Shri Shivraj Singh Chauhan, who inaugurated the meet was greatly impressed by Shakti Solar Pumps. Speaking on the occasion, he said "Time has come to take note of electricity & fuel shortage that is threatening to engulf the entire world. In the wake of this, it is necessary to adopt precautionary measures so that the coming generations will not face problems." He also opined that Shakti Solar Pumps are an ideal answer to the challenge.



## Participation in overseas events

As part of our strategy to gain foothold in overseas markets, we at Shakti pumps have actively participated in international events that have come by. Thus, in 2013-14 we participated in-

1. Big 5 Exhibition, Dubai
2. NGWA Groundwater Expo, Nashville (USA)
3. 18th Annual Clean Tech Exhibition, Israel
4. MCE 2014 Expo in Fiera Milano, Italy
5. Irrigation Australia Exhibition, Australia



This apart, we also conducted a Shakti Solar Pump Demonstration in Morocco, Northern Africa early this year. The objective was to create awareness about our solar pump which runs on solar energy. Since there, too, people face high electricity costs and non-availability as in India.





## Various certifications - a proof of our excellence

It is heartening to note that various certifications recognize our commitment to excellence, today. Not surprising that in comparison with other Indian pump companies, Shakti Pumps is the only venture to have received maximum number of 5 star ratings for its products from the Bureau of Energy Efficiency.

This apart, we have also received certification from independent bodies like UL, CE, ISO, BIS, ISI, etc.



## Seva

AN INITIATIVE OF SHAKTI FOUNDATION CHARITABLE TRUST

### Giving back to society through CSR activities

We value the big role that people have played in our success. With a view to giving back to the society, we conduct various CSR activities from time to time. Recently, through our SEVA initiative, we provided free medical assistance to people living in the rural areas of Madhya Pradesh.



## Letter to the Shareholders

Dear Member,

You are cordially invited to attend the Nineteenth Annual General Meeting of the members to be held on Thursday, July 31, 2014 at 11.00 A.M. at the Registered Office of the Company, Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur-454774, District: Dhar - Madhya Pradesh, India.

Very truly yours,

Dinesh Patidar

Chairman and Managing Director

## Notice of the Annual General Meeting 2014

**Notice** is hereby given that the Nineteenth Annual General Meeting of the members of Shakti Pumps (India) Limited will be held on Thursday, July 31, 2014 at 11.00 A.M. at the Registered Office of the Company, Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur-454774, District: Dhar - Madhya Pradesh, to transact the following business:

### As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the year ended on, that along with the report of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 2 per equity share for the financial year ended March 31, 2014.
3. To elect Director in place of Mr. Ramesh Patidar (DIN: 00931437) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### As Special Business

5. To appoint Ms. Pooja Mahajan (DIN: 02874604) as a Nominee Director and in this regard 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Pooja Mahajan (DIN: 02874604), who was appointed as a Nominee Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."
6. To appoint Mr. Rajkumar Jain (DIN: 01092456) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
"RESOLVED THAT Mr. Rajkumar Jain (DIN: 01092456) who was appointed as Director w.e. f. October 17, 2006 and is continuing as Independent Director and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby formally appointed as Independent Director on the Board not liable to retire by rotation in terms of Section 149(4), (10) & (11) and 152(6)(e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 3 (three) consecutive years for a term up to conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2017."

7. To appoint Mr. S.S. Raghuvanshi (DIN: 02285727) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT Mr. S.S. Raghuvanshi (DIN: 02285727) who was appointed as Director w.e.f. September 1, 2005 and is continuing as Independent Director and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby formally appointed as Independent Director on the Board not liable to retire by rotation in terms of Section 149(4), (10) & (11) and 152(6)(e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 3 (three) consecutive years for a term up to conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2017."

8. To appoint Mr. Navin Sunderlal Patwa (DIN: 01009404) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT Mr. Navin Sunderlal Patwa (DIN: 01009404) who was appointed as Director w.e. f. January 18, 2012 and is continuing as Independent Director and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby formally appointed as Independent Director on the Board not liable to retire by rotation in terms of Section 149(4), (10) & (11) and 152(6)(e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to conclusion of the 24th Annual General Meeting of the Company in the calendar year 2019."

9. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-

"RESOLVED THAT subject to the provisions of Sections 197(4),198 read with Schedule V PART-II and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof and subject to such approval as may be necessary, remuneration of Mr. Dinesh Patidar (DIN: 00549552), Managing Director of the Company be and is hereby increased from ₹ 3,25,000/- (Rupees Three Lacs Twenty Five Thousand Only) to ₹ 14,00,000/- (Rupees Fourteen Lacs Only) per month with effect from April 1, 2014 for the remaining period of his tenure expiring on January 29, 2016 and other perquisite will remain the same."

10. 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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors (herein after referred to as 'the Board' which term shall be deemed to include a Committee of the Board) to lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company by way of creation of security, on the movable and/or immovable assets / properties of the Company, wherever situated, present or future and/or on the Company's receivables whether through mortgage, hypothecation, pledge, assignment, etc., in favour of the lenders / debenture trustees / security trustees / debenture holders / their agents, as the Board may in its absolute discretion think fit for securing the due repayment of any moneys borrowed or to be hereafter borrowed by the Company from any person(s) including mutual funds, banks, financial institutions, bodies corporate, etc. together with interest there on, further interest, if any, costs, charges, expenses and any other sums payable by the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary desirable, expedient, usual or proper to give full effect to this resolution."

11. 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 180(1) (c), 180(2) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include a Committee of the Board) for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board, notwithstanding that the sum or sums of monies to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 500.00 Crores (Rupees Five Hundred Crores only) over and above the paid up capital of the Company and its free reserves.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution."

12. 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of Board  
For Shakti Pumps (India) Limited  
SD/-  
**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur  
Date: May 14, 2014

**As required by section 102(1) of the Companies Act, 2013, the following Explanatory Statements set out all material facts relating to the special business in accompanied notice.**

#### Item No. 5

The Board of Directors of the Company appointed Ms. Pooja Mahajan as a Nominee Director of the Company with effect from December 11, 2013.

In terms of the Provisions of Section 161(1) of the Act, Ms. Pooja Mahajan would hold office up to the date of the ensuing Annual General Meeting.

Ms. Pooja Mahajan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

Brief resume of Ms Pooja Mahajan, Chief Operating Officer, is an Economics graduate from Delhi University holds a Post Graduate Diploma in Business Management in Finance and Marketing and has pursued PGCHRM from XLRI, Jamshedpur. She currently holds office of COO on deputation from IFCI Ltd., where she is General Manager. She brings with her, experience in diverse areas including Business Development, Project Evaluation and Monitoring, Corporate Advisory, Human Resource Management, Training & Development, General Administration and Corporate Communications. She is currently a member on the Governing Board of Rashtriya Gramin Vikas Nidhi, an IFCI promoted, and national level development support organization.

Ms. Pooja Mahajan is interested in the resolution set out respectively at Item No. 5 of the Notice with regards to her appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No.5 of the Notice for approval by the shareholders.

#### Item No. 6

Mr. Rajkumar Jain (DIN: 01092456) was appointed as Director w.e.f. October 17, 2006 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, It is proposed to formally appoint Mr. Rajkumar Jain to hold office for 3 (three) consecutive years for a term up to conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2017.

It may be noted that Mr. Rajkumar Jain has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. Rajkumar Jain) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

#### Item No. 7

Mr. S.S. Raghuvanshi (DIN: 02285727) who was appointed as Director w.e.f. September 1, 2005 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to formally appoint Mr. S.S. Raghuvanshi to hold office for 3 (three) consecutive years for a term up to conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2017.

It may be noted that Mr. S.S. Raghuvanshi has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. S.S. Raghuvanshi) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No.7 of the Notice for approval by the shareholders.

#### Item No. 8

Mr. Navin Sunderlal Patwa (DIN: 01009404) who was appointed as Director w.e.f. January 18, 2012 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, It is proposed to formally appoint Mr. Navin Sunderlal Patwa to hold office for 5 (Five) consecutive years for a term up to conclusion of the 24th Annual General Meeting of the Company in the calendar year 2019.

It may be noted that Mr. Navin Sunderlal Patwa has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. Navin Sunderlal Patwa) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No. 8 of the Notice for approval by the shareholders.

#### Item No. 9

Under the new Companies Act, Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of Directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

In view of recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 14, 2014 increased remuneration payable to Mr. Dinesh Patidar, Managing Director from ₹ 3,25,000/- (Rupees Three Lacs Twenty Five Thousand Only) to ₹ 14,00,000/- (Rupees Fourteen Lacs Only) per month with effect from April 1, 2014, other terms of appointment remains the same.

Mr. Dinesh Patidar & Mr. Sunil Patidar are interested in the resolution set out respectively at Item No. 9 of the Notice with regards to remuneration and none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No.9 of the Notice for approval by the shareholders.

#### Item No. 10

As a security for the loans to be sanctioned by financial institution or any other person / persons with whom the company is negotiating for financial assistance for its projects if form of loan/loans, the company would be required to give first mortgage of all the movable and immovable properties of the company present and future.

Section 180(1)(a) of the Companies Act, 2013, provides, inter alia, that the Board of Directors of company, shall not without the consent of such company in general meeting, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favor of the financial institution or any other person/persons can be considered to be disposal of the company's properties, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said mortgage / charge / hypothecation.

The Board commends the passing of Special Resolution at Item No.10 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives of the Company is either directly or indirectly are interested or concerned in the proposed resolution.

#### Item No. 11

Section 180(1) (c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money, where the money to be borrowed, together with the money already borrowed by the company not exceed aggregate of its paid-up share capital and free reserves, apart from temporary loan obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of Special Resolution.

The Board commends the passing of Special Resolution at Item No.11 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives of the Company is either directly or indirectly are interested or concerned in the proposed resolution.



## Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor M/s Mihir Turkhia & Associate, Cost Accountant to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, the audit fees will be ₹ 45,000/- (Rupees Forty Five Thousand only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the Shareholders.

By Order of Board  
For Shakti Pumps (India) Limited  
SD/-  
**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur  
Date: May 14, 2014

## Notes

1. **A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of this meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting.**

**A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**

2. The Register of Members and Share Transfer Book of the Company shall remain closed from **Friday, July 25, 2014 to Thursday, July 31, 2014 (both days inclusive).**
3. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
4. The shareholders are hereby informed that all the correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s Adroit Corporate Services Pvt. Ltd., at 19/20, Jafarbhoy, Industrial Estate, 1st Floor, Makwana Road, Marol, Andheri (E), Mumbai-400 059.
5. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
8. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
9. Electronic copy of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 19<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website at [www.shaktipumps.com](http://www.shaktipumps.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretarial@shaktipumpsindia.com](mailto:secretarial@shaktipumpsindia.com)
11. Voting through electronic means  
In compliance with provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL): The instructions for members for voting electronically are as under:-

- A) In case of members receiving e-mail:
- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
  - ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii) Click on "Shareholders" tab to cast your votes.
  - iv) Select the Electronic Voting Sequence Number ("EVSN") **140624003** along with "SHAKTI PUMPS (INDIA) LIMITED" from the drop down menu and click on Submit.
  - v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in physical Form
User Id	User ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number: **<shakti19gm>** in the PAN field.

# Any one

- vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

You can also update your mobile number and e-mail ID in your demat account, which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.

viii) For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in the Notice of AGM.

ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

**B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

(i) Initial password and other details are provided as below at the bottom of Attendance Slip

(ii) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

D) The voting period begins on July 25, 2014 (9:00 AM) and ends on July 27, 2014 (6:00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. record date) of June 21, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

F) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of June 21, 2014.

G) Mr. Manish Maheshwari, proprietor M/s M. Maheshwari & Associates, Company Secretaries (Membership No. FCS 5174, CP No. 3860) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

H) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

I) The Results shall be declared on or after the AGM of the Company. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website [www.shaktipumps.com](http://www.shaktipumps.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Exchanges.

By Order of Board  
For Shakti Pumps (India) Limited  
SD/-  
**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur  
Date: May 14, 2014

#### Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. Ramesh Patidar	Mr. Rajkumar Jain	Mr. S.S. Raghuvanshi	Mr. Navin Sunderlal Patwa	Ms. Pooja Mahajan
Date of Birth	January 25, 1973	July 21, 1965	December 21, 1935	August 14, 1975	September 9, 1979
Expertise in specific functional areas	International Business	Information Technology	Completed major water supply projects- Indore, Ujjain, Gwalior and Jabalpur	Corporate Laws	Business Development, Corporate Advisory, HRM and Training Development
Date of appointment	October 17, 2006	October 17, 2006	September 1, 2005	January 18, 2012	December 11, 2013
Qualification	M.B.A.	M.B.A., M.C.A.	B.E. (Hons) Civil Engineering	ACS, LL.B.	PGDBM
List of outside Directorship held in Public Company	Nil	Nil	Nil	Sam Capital Markets Ltd & J G Industries Ltd	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Nil	Member of Audit Committee; and Corporate Responsibility Committee and Chairman Nomination and Remuneration Committee	Member of Audit Committee; Nomination and Remuneration Committee and Corporate Responsibility Committee	Chairman of Audit Committee; Member of Nomination and Remuneration Committee; Member of Stakeholders Relationship Committee and Chairman of Corporate Responsibility Committee	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil	Nil	Nil	Nil

By Order of Board  
For Shakti Pumps (India) Limited  
SD/-  
**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur  
Date: May 14, 2014



Dear Shareholders,

Your Directors are pleased to present the 19<sup>th</sup> Annual Report and the audited accounts for the financial year ended March 31, 2014

#### Financial Results

The financial performance of the Company, for the year ended March 31, 2014 is summarized below:

### 1. Financial Results

	(₹ In Lakhs)	
	F.Y. 2013-14	F.Y. 2012-13
Revenue	30674.17	21689.92
Operating Profit Before Interest, Depreciation and Tax	5505.20	3838.36
Interest and other Financial Charges (Net)	1258.61	1218.45
Depreciation and Amortization	676.71	500.53
Provision for Taxation	918.53	274.77
Net Profit	2651.34	1844.59
Appropriations		
Proposed Dividend on Equity Shares	304.87	152.43
Tax on Proposed Dividend	51.81	24.72

### 2. Dividend

Your Directors have recommended a dividend of ₹ 2.00 per Equity Share for the financial year ended March 31, 2014, amounting to ₹ 356.68 Lakhs (inclusive of tax of ₹ 51.81 Lakhs).

### 3. Company's Performance

During the year, your Company has registered a revenue of ₹ 30674.17 Lakhs as compared ₹ 21689.92 Lakhs showing an increase of 41 % over the previous year turnover. The export of the Company increased from ₹ 13822.42 Lakhs to ₹ 20751.45 Lakhs showing an increase of 50 % over previous year and the company has registered domestic sales of ₹ 8903.78 Lakhs as compared to ₹ 7211.11 Lakhs showing an increase of 23.46 % over the previous year.

The Company earned profit before depreciation, interest and tax of ₹ 5505.20 Lakhs as against ₹ 3838.36 Lakhs in the previous year, showing a growth of 43 % over previous year.

### 4. International Business

Complying with the company's policy of extensive global growth, The company is assiduously working towards achieving a strong presence in BRICS, G20, European Union and other growing countries of the world in the coming years. Further, efforts are also on to increase the Dealer Network to 100 more in the next 2 years as a way to complement the growth.

The company is having two overseas subsidiaries, one in USA and another in UAE. Going ahead the company is also planning to establish its third wholly owned subsidiary in Australia to expedite the delivering process in Australian continent.

### 5. Outlook

A two trillion dollar economy catering to a billion-plus population! The statement sums up adequately the vast opportunities that lie ahead of India. As per various studies, the economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country is one of the G-20 major economies and a member of BRICS. According to the IMF, India is the 19th-largest exporter and the 10th-largest importer in the world.

More so, in the agricultural sector, as this happens to be the country's main occupation even today! Naturally, we at Shakti Pumps are optimistic about leveraging high-sales in agricultural pumps in the coming times. After all, it has also been observed that India ranks second worldwide in farm output. And despite a steady decline of its share in the GDP, agriculture is still the largest economic sector and a significant piece of the overall socio-economic development of India.

In the international market too, we are confident of increase in order intakes as also sales revenue, despite modest growth in global economy. Essentially because Shakti Pumps are in demand across more than 100 countries today- a figure that is likely to grow up further in the coming years. And so by 2020-21, we aim at achieving top line of ₹ 5500 crore with the net margin of 9-10%

### 6. Govt. Policies

Ministry of New and Renewable Energy (MNRE) has taken to popularize solar pumping solutions with the help of various state governments. It is certainly a matter of great pride that for quite some time now, our pumps are being made available to the farmers/institutions in Madhya Pradesh, Chhattisgarh & Rajasthan at the recommendation of MNRE as also the state government.

### 7. Other Growth Plans

With strong R&D to our side, we are now also focusing on industrial and agricultural pumps in a big way so as to meet the requirements of institutional as also Govt. businesses. Expansion of our standard business, continued development of products and concentrated efforts to further improve after-sales service- will also be our top priority.

Innovation and R&D are factors that contribute to long sustainability. Thus, we also have plans to launch many new products like high capacity solar pumps. In the same way we have plans to enhance the range of booster pumps, open well pumps, hydro- pneumatic systems as also updating other products as per customer requirements. We are also in process of developing high quality energy conservative sewage pumps, slurry pumps, waste water pumps, hot water pumps, etc.

### 8. Directors

As per the provisions of the Companies Act, 2013, Mr. Ramesh Patidar (DIN: 00931437) will retire in the ensuing Annual General Meeting and being eligible, seek re-appointment.

Our non-executive (independent) directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The Board of Directors has been advised that non-executive (independent) directors so appointed would continue to serve the term that was ascertained at the time of appointment, therefore, it stands to reason that only those non-executive (independent) directors who will complete their present term at the ensuing Annual General Meeting of the Company, being eligible and seeking re-appointment be considered by the shareholders for re-appointment for a term as per resolutions.

Ms. Pooja Mahajan appointed as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GIVF) with effect from December 11, 2013.

Ms. Poonam Garg withdrawal as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GIVF) with effect from December 11, 2013.

### 9. Directors' Responsibility Statement

Pursuant to requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

- b. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as March 31, 2014 and of the profit of the Company for the year ended on that date;
- c. That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- d. That the Directors prepared the Annual Accounts on a going concern basis;
- e. That the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

### 10. Human Resource Development

At Shakti Pumps, our inherent strength is determined by our highly skilled and motivated workforce. It is their collective passion and commitment that has helped the organisation to scale great heights.

All in all, we sincerely believe that our employees are the most valuable assets of the Company. Which is why, we constantly focus on encouraging innovation, meritocracy and attaining excellence.

### 11. Corporate Social Responsibility

In accordance with the company's ethos, SEVA - a Shakti Foundation was started in Nov.2012. Established as a non-profit trust, the initiative aims at contributing towards the welfare of the destitute, rural poor and economically disadvantaged section of the society. In this regard, we express our gratitude to the honorary members of the Trust for their unfathomable support to the cause.

### 12. Internal Control System

The Company has a well placed, proper and adequate internal control system, which ensures that the efficiency and profitability of operations, the reliability of information, adhering to rules regulations, that all assets are safeguarded and protected, and that the transactions are authorized, recorded and reported correctly.

### 13. Fixed Deposits

The Company did not accept any public deposit and, as such, no amount on account or principal or interest on public deposits was outstanding as on the date of the balance sheet.

### 14. Transfer to investor education & protection fund

During the year, the Company has transferred a sum of ₹ 59,168/- to Investor Education & Protection Fund, the amount which was due & payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C (2) of the Companies Act, 1956.

### 15. Particulars of employees

No employee was in receipt of remuneration exceeding the limits set out under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### 16. Insurance

All insurable interests of the Company including inventory, building, plant and machinery and others are adequately insured.

### 17. Auditors

M/s Vinay Gandhi & Associates, Chartered Accountants, who are the Statutory Auditors of the Company, hold office, in accordance with the provisions of the Act till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### 18. Cost Audit

M/s Mihir Turkhia & Associate, Cost Accountant, who is the Cost Auditor relating to Pumps and Motors for the year ended March 31, 2014. The Cost Audit Report for the Financial Year 2012-13 was filed by the Company within the prescribed due date. The Cost Audit Report for the Financial Year 2013-14 is expected to be filed within the prescribed time.

### 19. Secretarial Audit Report

As a measure of good Corporate Governance practice, the Board of Directors appointed Mr. Manish Maheshwari, Practicing Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2014 is provided in the Annual Report.

### 20. Corporate Governance Report and Management Discussion and Analysis Statement.

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis Statement.

### 21. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Details of energy conservations as also research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, are given as an Annexure-I to the Directors' Report.

### 22. Acknowledgment

The Directors wish to convey their appreciations to all of the Company's employees for their enormous personnel efforts as well as their collective contributions to the Company's performance.

The Directors thank shareholders, customers, dealers, suppliers, bankers, Government of India, the Government of various countries, the concerned State Governments, Government departments and Government agencies for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Directors  
SD/-

**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur  
Date: May 14, 2014

## Annexure-I

### Research & Development

1. Specific areas in which R & D carried out by the Company.	The in-house Research & Development activities resulted in the development of new products of the Company during the previous year. This also helps in improvement in existing models.
2. Benefits derived as a result	Better market coverage and new market development, cost reduction and energy saving.
3. Future plan on R & D	To develop new models and products
4. Expenditure on R & D	₹ 1.61 Crores

### Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption for	Technology developed by R & D department is fully absorbed development in the existing product and new models.
2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development and import substitution, among others.	Increased efficiency, better performance and wider product range.
(a) Technology imported	Nil
(b) Year of import	Not applicable
(c) Has technology been fully absorbed	Not applicable
(d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	Not applicable

### Conservation of energy

(a) Energy conservation measures taken	Maintained the power factor 0.97 to 0.99 by installing automatic capacitors operating system. Using inverter based welding transformer and condenser based projection welding machine and installation of energy meter.
(b) Additional measures proposed to be taken	Replacing conventional machines by CNC and automatic machines. Designing of latest model fixtures to increase productivity.
(c) Impact of measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods.	Reduction in the cost of production



## Management Discussion and Analysis

### Global Economy

Global activity has broadly strengthened in the last year and is expected to improve further in 2014-15, with much of the impetus coming from advanced economies. Global growth picked up in the second half of 2013, averaging 3 percent a marked uptick from the 2 percent recorded during the previous six months. Advanced economies accounted for much of the pickup, whereas growth in emerging markets increased only modestly. In emerging market and developing economies, growth is projected to pick up gradually from 4.7 percent in 2013 to about 5 percent in 2014. [Source: IMF]

### Indian Economy

India's economy expanded by 4.7 percent in 2013-14, the second successive year of sub 5 percent growth. In seven of the last eight quarters, India's GDP has grown at less than 5 percent - hit by a mix of high inflation, costly loan rates and poor services and industrial sector growth. However, a good monsoon pushed agriculture growth to 4.7 percent during the year while total food grain production rose nearly 3 percent.

India's growth is expected to recover to 5.5 percent in 2014-15, supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects. Overall growth is expected to firm up on policies supporting investment and a confidence boost from policy actions, but will remain below trend. Consumer price inflation is expected to remain an important challenge, but should continue to move onto a downward trajectory.

### Global Pumps Industry

According to Industry estimates, the world market for pumps used by industry, municipalities and for irrigation will grow to \$45 billion per year in 2017, adding more than \$7 billion to annual sales in 2013. East Asia will account for more than 1/3rd of the market in 2017, with growth in this region driven mostly by new infrastructure and heavy industrial spending. More power plants will be built in this region in the next five years than in the rest of the world combined. Investment in municipal wastewater treatment and drinking water facilities is also expected to outstrip other regions. Because of aridity in much of the region, investment in irrigation pumps is also figured to be substantial.

Growth in North America will be led by the non-conventional oil and gas sector, whereas Western Europe is expected to be a slow growth market characterized by a large percentage of replacement pumps. Eastern Europe will reflect growth in expenditures to meet environmental regulations required for European Union membership. Middle East expenditures will rise as the region increasingly becomes a supplier of refined rather than raw products. There will be a strong demand for pumps from developing countries like China and India due to industrialization and investments in infrastructure.

### Indian pump industry

India's gross domestic product (GDP) grew by only 4.7 per cent in 2013-14, the second successive year of sub 5% growth. A weak performance by the manufacturing and services sectors slowed the pace of economic expansion in the current year. The business sentiments remain weak despite reform initiatives. Weak industrial performance is likely to persist on account of factors like lackluster external demand and absence of reliable power supply source amidst coal shortages. Infrastructure projects in power and road construction are held back by problems like coal supply, environmental clearances, land acquisition and financial closure.

In spite of the ongoing challenges, the Indian pump industry is expected to grow at 8 per cent year-on-year to reach ₹ 14,000 crore by 2017-18 from ₹ 8,500 crore currently as India aspires to take a centre stage on the global economic landscape.

The market demand will be driven by investments in water, irrigation, oil and gas and industry segments. The market to an extent will be influenced by decisions and policies taken for infrastructure projects, especially power and irrigation projects.

Today, in India, as in the rest of the world, there is a huge thrust on clean energy generation. It is also very essential to use energy efficient products and systems. Lifecycle cost analysis reveals energy cost is a major component of total cost of ownership of any power driven products. The operating and maintenance costs constitute approximately 80 per cent of the lifecycle cost of pumps. Pumps consume 30 per cent of the total power generated. Thus, some customers are changing their procurement approach from price of acquisition to cost of ownership of the products. Eventually, regulations are bound to come into effect which will enforce usage of energy efficient products.

### Opportunities and Threats

The shift in demand for pumps in India from unorganized sector to organised sector is happening faster. With labour getting scarce and expensive, there is a greater preference among agriculturists to work with branded models that promise a higher uptime, circumventing the need to invest in submersible pump extraction, repair or replacement. The result is that the market share of the country's unorganized sector has steadily declined from 95% to 80%; the performance of the organized sector growth over the unorganized provides the industry optimism.

Most Governments are insisting on the use of Star-rated pumps wherever it is subsidising their purchase on account of higher energy efficiency. BEE estimated Agriculture accounts for about 27% of electricity consumption in the country, which is increasing due to rural electrification efforts of the Government. The electricity is largely used in agricultural pump sets which generally have poor efficiency. Most of the pilot projects as well as other studies project potential of 40-50% by mere replacement of inefficient pumps. Overall electricity saving (from 20 million pumps) is estimated at 62.1 billion units annually. This is estimated to translate in to the yearly savings of ₹ 1800 crores.

India has acute shortage of electricity and natural resources like coal and fuels. We are highly dependent on imports of coal and fuels. Beyond that India has huge distribution of loss of electricity. Considering all the facts Government focused increased on renewable energy sources. MNRE has started Solar Energy programs with the help of State Government, NABARD and nodal agencies to promote the solar systems.

## Risks and Concerns

Some of the risks that are potentially significant in nature and need careful monitoring are raw material price, availability of power among others. The Company is classified as and agriculture appliances industry, the growth of which is determined by the overall growth of agriculture, availability of inputs and the state of the global economy.

## Shakti Pumps initiatives to produce sustainable, eco friendly pump products

Agriculture and water are still contributing highest to pump and electricity consumption. It will continue to provide high volume to Pump Industry. With higher consumption of electricity, Government's focus is increasing towards star-rated energy efficient pumps (labeling) and pumps run by renewable energy sources. Industry is moving towards energy conservative pumps which consume less energy and give more output compared to traditional pumps.

Shakti Pumps provide energy conservative stainless steel pumping solutions, which consumes less energy and provide more output. We have invested in technology which is energy conservative and eco-friendly. Shakti is the first Indian pump manufacturer with a five star rating from the Bureau of Energy Efficiency. The Company is accredited with ISO 9001:2008 for quality and certified by the Indian Standards Institute for product safety. Shakti has now started manufacturing of solar pumps which are also energy conservative, approved by Ministry of New and Renewable Energy ministry and BEE rated.

## Shakti Pumps future growth, expansion plans

Despite only moderate growth expected in the global economy, we expect order intake and sales revenue to grow substantially higher than market growth in coming years. Next year, we are inclined to achieve a top-line growth of 25% with the net margin of 9-10%. Shakti is also committed to increase the Branch Network to 30 and Dealer network to 100 more in the coming two years.

We assume in the coming years, government focus will be on energy, conservation with star rated pumps and international focus on renewable energy products like solar pumps will drive our growth. Solar pumping solutions are the next big buzz in the sector as many state government with MNRE are coming up with solar pumping projects.

With our strong R&D capabilities we are moving towards industrial pumps, solar pumps to target institutional and Government business. We have plans to launch many new products like high quality energy conservative sewage pumps, slurry pumps, waste water pumps and hot water pumps, In addition, we are enhancing the range of booster pumps, upgrading open well pumps, and hydro-pneumatic systems. Expansion of the standard business, the continued development products and after-sales service will be important priorities.

## Material Developments in Human Resources / Industrial Relation Front

The Company believes that human resources enables it to consistently meet customer requirements and deliver exceptional performances necessary for growth. There is a continuous effort to maintain cordial industrial and employee relations. The Company believes that human resource is its most valuable assets and is thus committed to the welfare of its employees and their families. The Company continuously invests in people through various initiatives which enable the work force to meet the challenges.

## Disclaimer Statement

The report on Management Discussion and Analysis deals with the Company's objectives, estimates, expectations and forecasting which may be forward-looking within the meaning of applicable security laws and / or regulations. The aforesaid statements are based on certain premises and expectations of future events and as such the actual results may however differ materially from those expressed or implied. Government regulations, tax structure, demand supply conditions, raw material costs and availability, finished goods prices and economic development within India and the countries within which the Company has business relationships will have an important bearing on the statements in the above Report. The foregoing discussions and analysis only set out the management's perception of the Company's environments, in the coming months, which by their very nature are uncertain and may undergo substantial changes in view of the events taking place later. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different, even materially. Subject to this management disclaimer, this discussion and analysis should be perused.



## 1. Company's Philosophy on Corporate Governance

Transparency, Trusteeship, control, fairness, empowerment and accountability, ethical corporate citizenship are the basic tenets of Corporate Governance. It is all about maintaining valuable relationship and trust with its members and other key stakeholders. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust, are the hallmarks of good corporate governance.

The Company's philosophy extends beyond what is being reported under this report and it has been the Company's constant endeavour to attain the highest levels of Corporate Governance.

The Company is in compliances with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to Corporate Governance.

## 2. Board of Directors

The Board of Directors state that the Company runs on fair and ethical principles and plays an important role in enhancing stakeholder's value. The Executive Directors are responsible for day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors.

### 2.1 Composition

The Board comprises such number of Executive, Non-Executive and Independent Directors as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges. During the year ended March 31, 2014, the Board of Directors of the Company consisted of 7 (seven) Directors with a Executive Chairman. 3 (three) are Independent Directors and 1 (one) is a Nominee Director appointed by IFCI Ltd. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the Company.

S.N.	Name of Directors	Category of Directorship	No. of Board Meetings		Attendance at last AGM	No. of outside directorship in Public Limited held	No. of committee positions held in other public limited companies	
			Held	Attd			Member	Chairman
1	Mr. Dinesh Patidar	Executive	9	9	Yes	1	-	-
2	Mr. Sunil Patidar	Executive	9	7	Yes	1	-	-
3	Mr. Ramesh Patidar	Executive	9	7	Yes	-	-	-
4	Mr. Rajkumar Jain	Independent	9	7	No	-	-	-
5	Mr. S.S. Raghuvanshi	Independent	9	5	No	-	-	-
6	Mr. Navin S Patwa	Independent	9	5	Yes	2	-	-
7	Ms. Pooja Mahajan*	Nominee	9	0	No	-	-	-
8	Ms. Poonam Garg**	Nominee	9	1	No	6	-	-

\*Appointed as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GIVF) with effect from December 11, 2013.  
\*\*Withdrawal as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GIVF) with effect from December 11, 2013.

Note:

For reckoning the other Directorship- Private Limited Companies, Foreign Companies and Sec 25 Companies have been excluded. For reckoning the Committee Memberships and Committee Chairmanships-Audit Committee and Shareholders/Investors Grievance Committee alone have been considered.

Regarding disclosure of pecuniary relationships/transactions of the Independent Directors vis-a-vis the Company, as per Clause 49(1) (B) of the Listing Agreement, there were no materially significant related party transactions during the year having conflict with the interest of the Company.

## 2.2 Board Meetings:

During the financial year ended March 31, 2014, Nine Board meetings were held on May 29, 2013; July 22, 2013; August 12, 2013; August 14, 2013; October 30, 2013; December 11, 2013; January 7, 2014; January 24, 2014 and February 19, 2014.

The necessary quorum was present for all the meetings.

## 2.3 Board Committees

Committees of the Board and other related information are provided hereunder:

Composition of Board level Committees

### A. Audit Committee

The terms of reference of Audit Committee include the matters specified under Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292 A of the Companies Act, 1956. The terms of reference of the Audit Committee, inter alia, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Considering and recommending the appointment, re-appointment of the Statutory Auditor and Cost Auditors, fixation of the audit fees and fees for any other services rendered by them and if required, the replacement or removal of the Auditors.
- Compliances with Accounting Standards and changes in accounting policies and practices.
- Reviewing with the management the financial statements at the end of the quarter, half year and the annual statements before submission to the Board for approval.
- Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- Review of the Audit Report/Work of External Auditors.
- Review of risk management policies and practices.
- Reviewing of the information prescribed under Clause 49 of the Listing Agreement.

The Company has complied with the requirements of Clause 49 as regards the composition of the Audit Committee. The Audit Committee has 4 (Four) members.

During the financial year ended March 31, 2014, 4 (Four) meeting of the Audit Committee were held on May 29, 2013; August 12, 2013; October 30, 2013 and January 24, 2014.

S.N.	Name	Category	Number of meetings during the year 2013-2014	
			Held	Attended
1	Mr. S.S. Raghuvanshi	Independent, Non-Executive	4	4
2	Mr. Dinesh Patidar	Executive	4	4
3	Mr. Rajkumar Jain	Independent, Non-Executive	4	2
4	Mr. Navin S Patwa	Independent, Non-Executive	4	4

### B. Remuneration Committee:

The Remuneration Committee reviews the remuneration payable to the Managing Director/Whole-time Directors and recommends it to the Board.

The Remuneration Committee comprises of 3 (Three) members namely Mr. S.S. Raghuvanshi, Mr. Rajkumar Jain and Mr. Navin S Patwa, all are Independent Directors. During the financial year ended March 31, 2014, 1 (One) meeting was held on August 12, 2013 and all the members were present.

The Company does not have any Employee Stock Option Scheme.

Details of Remuneration for the year ended March 31, 2014.

(In ₹)

Name	Category	Salary including employer's contribution to provident fund	perquisites	Sitting fees
Mr. Dinesh Patidar	Executive	39,58,980	Nil	Nil
Mr. Sunil Patidar	Executive	12,40,836	1,96,865	Nil
Mr. Ramesh Patidar	Executive	19,78,980	100385	Nil
Mr. S.S. Raghuvanshi	Independent	Nil	Nil	1,00,000
Mr. Rajkumar Jain	Independent	Nil	Nil	Nil
Ms. Poonam Garg	Nominee Director	Nil	Nil	20,000
Mr. Navin S Patwa	Independent	Nil	Nil	1,00,000
Ms. Pooja Mahajan	Nominee Director	Nil	Nil	Nil

### C. Shareholders/Investors Grievance Committee

- The committee reviews and deals with complaints and queries received from the investors. It also reviews and deals with response to letters received from the Ministry of Corporate Affairs, the Stock Exchanges and Securities Exchange Board of India (SEBI).
- One meeting of the Shareholders/Investors Grievance Committee was held during the year on March 22, 2014.
- The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:
- The Committee comprises of 4 (Four) members namely Mr. Sunil Patidar, Mr. Prakash Yadav, Mr. B. R. Patidar and Mr. Suryapal Yadav. During the financial year ended March 31, 2014, 1 (One) meeting was held on March 22, 2014 and all the members were present.

### 2.4 General Body Meeting

- The last three Annual General Meetings and Extra-Ordinary General Meeting-

Year	AGM/EGM	Date of AGM/EGM	Time	Venue
2011	AGM	September 30, 2011	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2012	AGM	September 28, 2012	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2013	AGM	September 27, 2013	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	EGM	July 12, 2011	11.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	EGM	November 30, 2011	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2014	EGM	January 9, 2014	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

All the resolution set out in the respective notices was passed by the shareholders.

- Postal ballot- no resolution requiring postal ballot as recommended under Clause 49 of the Listing Agreement was placed for shareholders approval at the meeting.

### 3. Disclosures

- The Company does not have any materially significant related party transaction that may have potential conflict with the interests of the Company.
- The Company has followed the Guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in preparation of financial statements.
- The Company has laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board to ensure that the executive management controls the risk in properly defined framework.
- The Company has no material unlisted Indian subsidiary Company as defined in the Clause 49 of the Listing Agreement.
- The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during last three years.
- The Company has obtain a certificate from its Statutory Auditor regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and annex the same with the Directors' Report.
- A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- The Company has also undertaken Secretarial Audit for the financial year 2013-2014 which, inter alia, includes audit of compliance with Companies Act and Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report is annexed of this annual report.

### 4. Follow-up measures against insider trading

The Company properly advised and cautioned the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the Company in the light the SEBI (Insider Trading Amendment Regulation, 2002). the Code of conduct and corporate disclosure practices framed by the Company will held in ensuring compliances of the amended regulations.

### 5. Means of Communications

- Quarterly Results: The quarterly, financial results of the Company are published in regional English daily newspaper and Hindi daily newspaper and are displayed on the Company's website www.shaktipumps.com.
- News Releases, Presentations, etc.: Official news releases and Official Media Releases are sent to the Stock Exchanges.
- Website: the Company's website www.shaktipumps.com contains a separate dedicated section 'Financial' where shareholders information is available. The Annual Report is also available on the website in a user-friendly and downloadable form.
- Annual Report: Annual Report containing inter alia, Audited Annual Accounts, consolidated Financial Statements, Directors Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
- BSE Corporate Compliance & Listing Centre (the "Listing Center"): The Listing Center of BSE is a web based application designed by BSE for corporate. All periodical compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center.
- SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system.

### 6. General Shareholders Information

A. Annual General Meeting to be held (Day, date, time and venue)

Day Thursday  
Date July 31, 2014  
Time 11.00 A.M.  
Venue Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

B. Financial Year  
April 1 to March 31

C. Financial calendar 2014-15  
June 30, 2014-Second week of July, 2014  
September 30, 2014-Second week of October, 2014  
December 31, 2014-Second Week of January, 2015  
March 31, 2015-Forth week of April, 2015  
Annual General Meeting- July, 2015

Dividend Payment : The final dividend if declared shall be paid/credited on or before August 29, 2014.

D. Book Closure Date  
From Friday, July 25, 2014 to Thursday, July 31, 2014 (both days inclusive) on account of AGM and Dividend.

E. Listing on the Stock Exchanges:  
(i) BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001  
(ii) Madhya Pradesh Stock Exchange Limited (MPSE) 201, 'Palika Plaza', Phase-II, M.T.H. Compound, Indore-452001

F. Trading on the Stock Exchange:  
(i) BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001  
(ii) National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

G. Stock Code:  
(i) Bombay Stock Exchange Limited- 531431  
(ii) National Stock Exchange of India Ltd.- SHAKTIPUMP

H. Corporate Identification Number (CIN) :  
L29120MP1995PLC009327

I. Stock Market data: The month-wise highest and lowest and total number of shares traded during the last financial year was as follows



Bombay Stock Exchange Limited

Month	Highest (In ₹)	Lowest (In ₹)	Total No. of Shares traded
Apr 13	48.00	42.55	83449
May 13	60.55	47.00	389486
Jun 13	50.50	41.50	98334
Jul 13	47.80	41.05	233932
Aug 13	47.30	38.00	215344
Sep 13	45.90	39.90	79567
Oct 13	62.40	40.10	603683
Nov 13	84.50	54.75	1502244
Dec 13	83.20	70.25	731405
Jan 14	88.60	72.00	767937
Feb 14	79.00	65.90	232169
Mar 14	79.60	68.10	798989

National Stock Exchange of India Ltd

Month	Highest (In ₹)	Lowest (In ₹)	Total No. of Shares traded
Apr 13	48.25	42.05	129297
May 13	60.55	47.25	729537
Jun 13	50.90	41.50	123035
Jul 13	48.00	40.20	421363
Aug 13	47.10	38.00	335267
Sep 13	45.00	40.10	108603
Oct 13	62.50	40.15	1171840
Nov 13	85.00	56.05	2310015
Dec 13	83.20	70.00	1557568
Jan 14	88.70	71.00	1590405
Feb 14	79.40	65.80	466971
Mar 14	80.00	68.00	1420053

**6.1 Registrar and Transfer Agent:**

Adroit Corporate Services Pvt. Ltd.  
17-20, Jaferbhoy Ind. Estate,  
1st Floor, Makhwana Road,  
Marol Naka, Andheri (E), Mumbai 400059, India.  
Ph. No. - (022) 28594060, 28596060  
Fax No. - (022) 28503748  
Email - pratapp@adroitcorporate.com

**6.2 Share transfer system**

All valid requests for transfer of equity shares in physical mode received for transfer at the office of the Registrar and Share Transfer Agents or at the Registered Office of the Company are processed and returned within a period of 15 days from the date of receipt.

**6.3 Shareholding as on March 31, 2014:**

(a) Distribution of Shareholding as on March 31, 2014

Range of equity shares held	No. of Shareholders	%	Number of Shares	Face Value per equity shares (in ₹)	% of shareholding
Up to-00500	5528	81.61	815428	8154280	5.35
00501-01,000	597	8.81	490685	4906850	3.22
01,001-02,000	312	4.61	500036	5000360	3.28
02,001-03,000	97	1.43	243154	2431540	1.60
03,001-04,000	51	0.75	188010	1880100	1.23
04,001-05,000	36	0.53	169109	1691090	1.11
05,001-10,000	85	1.25	584483	5844830	3.83
10,000 and Above	68	1	12252888	122528880	80.38
Total	6774	100	15243793	152437930	100

(b) Categories of Shareholding as on March 31, 2014

S.N.	Category	Number of Shareholders	% of Shareholders	No. of Shares	% of shareholding
1	Resident Individuals	6299	92.99	3473132	22.78
2	Non-Resident Indians (Individuals)	85	1.25	88954	0.58
3	Corporate Bodies (Promoter)	1	0.01	14500	0.10
4	Corporate Bodies	242	3.57	355494	23.32
4	Directors (Promoter)	2	0.03	5071688	33.27
5	Directors Relatives (Promoter)	5	0.07	1766000	11.59
6	Financial Institutions	1	0.01	1134556	7.44
6	Clearing Member	105	1.55	97501	0.64
7	Corporate Body Broker	34	0.50	41968	0.28
Total		6774	100	15243793	100

**6.4 Dematerialization of Shares**

S.N.	Mode of Holding	No. of Shareholders	No. of Shares	% age
1	NSDL	3905	13102774	85.95
2	CDSL	2805	1928911	12.65
3	Physical	64	212108	1.39
Total		6774	15243793	100

98.61 % of the Company's Paid-up Equity Share Capital is dematerialized as on March 31, 2014. Trading in Equity Shares of the Company is permitted only in dematerialized form.

## Declaration-Code of Conduct

All Board Members and the Senior Management Personnel have, for the year ended March 31, 2014, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered into with the Stock Exchanges.

SD/-

**Dinesh Patidar**  
Chairman and Managing Director

Place: Pithampur

Date: May 14, 2014

## Compliance Certificate

To,

The Members of,

Shakti Pumps (India) Limited

We have examined the compliance of conditions of Corporate Governance by SHAKTI PUMPS (INDIA) LIMITED ("the Company"), for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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.

For **Vinay Gandhi & Associates**  
Chartered Accountants  
FRN:014442C

SD/-

**Vinay Gandhi**  
(Proprietor)  
M.No75972

Place: Pithampur

Date: May 14, 2014

## Secretarial Audit Report

To

The Board of Directors,  
Shakti Pumps (India) Limited,  
Plot No. 401, 402 & 413,  
Industrial Area, Sector-III,  
Pithampur-454774

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shakti Pumps (India) Limited ("the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2014 according to the provisions of -
  - The Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013;
  - The Memorandum and Articles of Association
  - The Depositories Act, 1996 and the Regulations and Bye Laws framed under the Act.
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.
  - The Equity Listing Agreements with the Stock Exchanges.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013 ("the Act") and the memorandum and Articles of Association of the Company, with regard to:

- Maintenance of various statutory registers and documents and making necessary entries therein;
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government.
- Closure of Register of Members.
- Notice of Board Meeting of Directors.
- The meeting of Directors.
- The 18th Annual General Meeting held on Friday, September 27, 2013;
- Declaration and payment of Dividends
- Minutes of proceedings of General Meetings and Board meetings.
- Constitution of Board of Directors and Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Directors and Whole-time Directors;
- Borrowings and registration, modification and satisfaction of charges wherever applicable.
- investment of the Company's funds including inter-corporate loans and investments and loans to others
- Transfer and transmission of the Company's Shares; issue and dispatch of duplicate certificate of shares.
- Director's Report;
- Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye Laws framed thereunder by the Depositories with regard to de-materialization / re-materialization of Securities and reconciliation of records of de-materialized securities with all securities issued by the Company.

4. I further report that the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

5. I further report that the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.

6. I further report that the Company has complied with the requirements under the Listing Agreements entered into with the Stock Exchanges.

I further report that based on the information received and records maintained there are adequate systems and process in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For M Maheshwari & Associates  
Company Secretaries**

SD/-  
**MANISH MAHESHWARI**  
FCS 5174  
C.P. No.3860

Date : May 14, 2014  
Place : Indore

# Auditor's Report on Consolidated Financial Statements

To,

The Board of Directors,  
SHAKTI PUMPS (INDIA) LTD.

1. We have audited the attached Consolidated Balance Sheet of M/S. SHAKTI PUMPS (INDIA) LIMITED (the company) and its subsidiaries (collectively referred to as "the Group") as at 31st March 2014, and the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes accessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. These financial statements & other information have been audited by other Auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true & fair view in conformity with the accounting principles generally accepted in India :
  - i. in the case of Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2014 ;
  - ii. in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
  - iii. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the group for the year ended on that date.

**For Vinay Gandhi & Associates**  
Chartered Accountants  
FRN:014442C

SD/-  
**Vinay Gandhi**  
(Proprietor)  
M.No75972

Place: Pithampur  
Date: May 14, 2014

# Significant Accounting Policies and Notes on Consolidated Accounts

## A. Principles of Consolidation

The Consolidated Financial Statements relates to SHAKTI PUMPS (INDIA) LTD. ("the Company") and its overseas two wholly owned subsidiary companies as :

S.No	Name of the Subsidiary Company	Country of Incorporation	% of Shareholding	Currency
1	Shakti Pumps USA LLC	USA	100	USD
2	Shakti Pumps FZE	UAE	100	AED

The Consolidated financial statements have been prepared on the following basis:

- a)The Financial Statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses, after fully eliminating intra -group balances and intra-group transactions in accordance with Accounting Standard ( AS ) -21 " Consolidated Financial Statements".
- b)Revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- c)Reporting period of the subsidiaries are different as to the company reporting period. Hence for the purpose of preparing consolidated financial statements, the financial statements of subsidiaries have been prepared to the same reporting date and for the same reporting period as of the company in accordance with AS-21" Consolidated Financial Statements".
- d)The accounting policies of the parent are best viewed in its independent financial statements. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- e)Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Notes from the Independent Financial Statements, which fairly present the needed disclosures.

## Consolidated Balance Sheet As At 31st March 2014

(Amount in ₹)

Particulars	Note No.	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	152437930	152437930
Reserves and Surplus	2	1148104209	935179357
Share Warrant Money		30000000	-
		1330542139	1087617287
<b>2 Non-Current Liabilities</b>			
Long-Term Borrowings	-	269943582	199018663
Deferred Tax Liability (Net)	-	57514414	45296085
		327457996	244314748
<b>3 Current Liabilities</b>			
Short-Term Borrowings	-	688271719	625440765
Trade Payables	3	271457902	202793698
Other Current Liabilities	4	306411837	194804334
Short-Term Provisions	-	159048475	94410432
		1425189932	1117449230
<b>TOTAL</b>		<b>3083190067</b>	<b>2449381265</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed Assets			
Tangible assets	-	895784279	802698928
Capital work-in-progress		15429770	-
Non-Current Investments	5	2000	2000
Long-Term Loans and Advances	-	188717535	113950716
Other Non-Current Assets-		169972697	58829891
		1269906281	975481535
<b>2 Current assets</b>			
Inventories	6	711181759	684783112
Trade Receivables	7	839103233	600003581
Cash and Bank Balances	8	68428739	45023179
Short-Term Loans and Advances	9	194570054	144089858
		1813283786	1473899730
<b>TOTAL</b>		<b>3083190067</b>	<b>2449381265</b>
Significant Accounting Policies Notes on Financial Statements	1-19		

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants

SD/-  
Vinay Gandhi  
(Proprietor)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

For and on Behalf of the Board

Place : Pithampur  
Date : 14.05.2014

## Consolidated Statement of Profit & Loss For The Year Ended 31st March 2014

(Amount in ₹)

Particulars	Note No.	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
1	2	3	4
<b>I. INCOME</b>			
Revenue From Operations			
Sale of Products	10	2969993271	2130315633
Less : Excise Duty Recovered		(49089158)	(42339111)
		2920904113	2087976522
Other Income	11	101894226	66852327
<b>Total Revenue</b>		<b>3022798339</b>	<b>2154828849</b>
<b>II. EXPENDITURE</b>			
Cost of Materials Consumed	12	1238657888	939759093
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	13	17202091	41685310
Employee Benefits Expense	14	256980303	211298643
Finance Costs	15	126039887	121937333
Depreciation & Amortization Expense	16	67671910	50053679
Other Expenses		974610061	594431053
<b>Total Expenses</b>		<b>2681162139</b>	<b>1959165110</b>
<b>III. PROFIT BEFORE TAX</b>		<b>341636200</b>	<b>195663739</b>
<b>IV. TAX EXPENSE:</b>			
Current Tax		84840864	43734210
Deferred Tax		12218329	10697350
MAT Credit Availed		(5206064)	(26954271)
<b>V. PROFIT AFTER TAX FOR THE YEAR</b>		<b>249783071</b>	<b>168186450</b>
<b>VI. EARNINGS PER EQUITY SHARE:</b>			
(1) Basic	17	16.39	11.49
(2) Diluted		14.92	11.49
Significant Accounting Policies Notes on Financial Statements	1-20		

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants

SD/-  
Vinay Gandhi  
(Proprietor)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

For and on Behalf of the Board

Place : Pithampur  
Date : 14.05.2014

## Consolidated Cash Flow Statement For The Year 2013-14

(Amount in ₹)

PARTICULARS	2013 - 2014		2012 - 2013	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit After Tax As Per Profit & Loss Account		249783071		168186450
Adjusted For :				
Depreciation Exp.	67671910		50053679	
Misc. Exp. Written off.	2366535		3093084	
Interest Income	(20139848)		(12053110)	
Interest Paid	101987396		106495569	
Loss on Sale of Fixed Assets	36059		3382003	
Profit on Sale of Fixed Assets	(58670)		(754391)	
Deferred Expenditure Not Included Above	(111142806)		(10914915)	
Mat Credit	(5206064)		(26954271)	
Deferred Tax	12218329		10697350	
		47732841		123044999
Operating Profit Before Working Capital Changes		297515912		291231449
Adjusted For :				
(Increase)/Decrease in Trade & Other Receivables	(239099652)		(188309321)	
(Increase)/Decrease in Inventories	(26398647)		49658152	
Increase/(Decrease) in Trade Payables	68664203		55343043	
Increase/(Decrease) in Other Current Liabilities & Provisions	79800535		78743718	
		(117033561)		(4564407)
<b>Net Cash Flow From Operating Activities (A)</b>		<b>180482351</b>		<b>286667042</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(177323886)		(289240203)	
Sale of Fixed Assets	2041925		32983793	
Interest Received	20139848		12053110	
Deposits	(8778934)		(22650249)	
Movement in Loan & Advances	(125247016)		(22099719)	
<b>Net Cash Used in Investing Activities (B)</b>		<b>(289168064)</b>		<b>(288953269)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings ( NET)	142013469		17330659	
Short Term Borrowings ( NET )	71002985		112271294	
Dividend Paid ( Inc. DDT)	(17716717)		(16322047)	
Interest on Term Loans & Others Paid	(101987396)		(106495569)	
Money Received Against Share Warrants Conversion	30000000		69550000	
Proceeds From Optionally Convertible Debentures	0		(97498400)	
<b>Net Cash Used in Financing Activities (C)</b>		<b>123312340</b>		<b>(21164063)</b>
Net Change in Cash & Cash Equivalents (A+B+C)		14626627		(23450290)
Cash & Cash Equivalents at the beginning of the year		7294080		30744370
Cash & Cash Equivalents as the end of the year		21920707		7294080

Note : 1. Figures in Brackets represent Cash Outflow

2. Previous Year Figures Regrouped wherever necessary.

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

For and on Behalf of the Board

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014

## Notes On Consolidated Financial Statements For The Year Ended 31st March 2014

(Amount in ₹)

1SHARE CAPITAL	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
Authorised Share Capital :				
25000000 Equity Shares of ₹ 10 each (Previous year 25000000 shares of ₹ 10 each )	250000000		250000000	
Issued & Subscribed Capital				
15423993 Equity Shares of ₹ 10 each (Previous year 15423993 shares of ₹ 10 each )	154239930		154239930	
Paid Up Capital				
15243793 Equity Shares of ₹ 10 each (Previous year 15243793 shares of ₹ 10 each)	152437930		152437930	
<b>TOTAL</b>	<b>152437930</b>		<b>152437930</b>	

1.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
At the beginning of the year	15243793	14043793
Issued during the year	-	1200000
Outstanding at the end of the year	15243793	15243793

1.2 180200 Share out of Issued Share Capital are forfeited by the company which has not been reissued.

1.3 The details of shareholders holding more than 5% Shares :

Name of the Shareholder	As At 31st March 2014		As At 31st March 2013	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	23.10	3521488	23.10
Green India Venture Fund	1134556	7.44	1597993	10.48
Sunil Patidar	1550200	10.17	1550200	10.17
M.L. Securities & Finance Pvt. Ltd	1888142	12.39	1938142	12.71

2 RESERVES & SURPLUS

	As At 31st March 2014		As At 31st March 2013	
Capital Reserve				
As per Last Balance Sheet	2057800		2057800	
Add : During the Year	-		-	
		2057800 (9698)		2057800 (443400)
Foreign Currency Fluctuation Reserve				
Securities Premium Reserve				
As per Last Balance Sheet	341145471		241545471	
Add: Received During the year	0		99600000	
		341145471		341145471
General Reserve				
As per Last Balance Sheet	592419487		449487195	
Add: Transferred from Profit & Loss Account	212491149		148932290	
Less: Bonus Share Issue	-		(6000000)	
		804910636		592419485
Profit & Loss Account				
As Per Last Balance Sheet	0		0	
Add: Profit for the Year	249783071		168186450	
Less: Appropriations				
Proposed Dividend	(30487586)		(15243793)	
Dividend Tax	(5181365)		(2472924)	
Short Provision for Bonus	-		(2102307)	
Excess Provision for Income Tax 2012-13	52469		0	
Income Tax Related to Earlier Year	(1675440)		(1251598)	
Investment Written Off.	0		(5177243)	
Transferred to General Reserve	(212491149)		(141938585)	
		0		0
<b>TOTAL</b>		<b>1148104209</b>		<b>935179357</b>

( Amount in ₹ )

3 TRADE PAYABLES	AS AT		AS AT	
	31st MARCH 2014		31st MARCH 2013	
Sundry Creditors		271457902		202793698
<b>TOTAL</b>		<b>271457902</b>		<b>202793698</b>
<b>4 OTHER CURRENT LIABILITIES</b>				
Current Liabilities of Long Term Debt ( Refer Note 3 )		171579188		92318608
Creditors for Capital Expenditure		42568440		15855645
Creditors for Service & Others		66873903		67362688
Unclaimed Dividend		1441367		1407582
Advance from Customers		12398153		8832202
Statutory Payable		7134484		3986391
Expenses Payable		4416301		5041218
		306411837		194804334
<b>5 NON CURRENT INVESTMENTS</b>				
Non-Trade Investments				
In Equity shares of Others				
Unquoted Fully Paid Up				
Cosmos Bank	2000		2000	
Others	-		-	
		2000		2000
<b>TOTAL</b>		<b>2000</b>		<b>2000</b>
<b>6 INVENTORIES</b>				
Raw Material		284821396		292915806
Work In Process		189671604		236465249
Finished Goods		220300760		148408352
Stock in Transit		16387998		6993705
<b>TOTAL</b>		<b>711181759</b>		<b>684783112</b>
<b>7 TRADE RECEIVABLES</b>				
(Unsecured & Considered good)				
Over Six Months		134766954		73714820
Others		704336279		526288761
<b>TOTAL</b>		<b>839103233</b>		<b>600003581</b>
<b>8 CASH &amp; BANK BALANCES</b>				
Balances with Banks		20639097		6510825
Cash Balance		1281608		783255
Fixed Deposits With Bank		46508034		37729100
<b>TOTAL</b>		<b>68428739</b>		<b>45023179</b>
8.1 Balance with Banks includes Unclaimed Dividend.of ₹ 1445392/- (Previous year ₹ 1428807/-)				
<b>9 SHORT TERM LOAN &amp; ADVANCES</b>				
Balances With Statutory authorities		88257320		58274018
Advance Income Tax		41000000		32000000
Advance for Salary & tour		3980628		8439407
Prepaid Expenses		5368803		6910462
Deposits		12770654		7928527
Other Short Term Loan & Advances		43192651		30537444
<b>TOTAL</b>		<b>194570054</b>		<b>144089858</b>

( Amount in ₹ )

10 REVENUE FROM OPERATION	AS AT		AS AT	
	31st MARCH 2014		31st MARCH 2013	
Sales of Finished Goods		2969993271		2130315633
<b>TOTAL</b>		<b>2969993271</b>		<b>2130315633</b>
<b>11 OTHER INCOME</b>				
Interest Income		20139848		12053110
Other Non Operating Income		81754378		54799217
<b>TOTAL</b>		<b>101894226</b>		<b>66852327</b>
<b>12 COST OF MATERIAL CONSUMED</b>				
Opening Stock of Raw Material		319327904		327256277
Add: Purchase of Raw Material		1282216400		931830720
		1601544304		1259086997
Less: Closing Stock of Raw Material		362886416		319327904
<b>TOTAL</b>		<b>1238657888</b>		<b>939759093</b>
<b>13 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS</b>				
Inventories (at Close)				
Finished Goods/Stock in Trade	158623739		129032185	
Stock In Process	189671604	348295343	236465249	365497434
Inventories ( at Commencement )				
Finished Goods/Stock in Trade	129032185		184446113	
Stock In Process	236465249	365497434	222736631	407182744
<b>TOTAL</b>		<b>(17202091)</b>		<b>(41685310)</b>
<b>14 EMPLOYEE BENEFIT EXPENSES</b>				
Salary & Wages		235994747		191381165
Contribution to Provident & Other Funds	6063718		10241300	
Staff Welfare Expenses		14921838		9676178
<b>TOTAL</b>		<b>256980303</b>		<b>211298643</b>
<b>15 FINANCE COST</b>				
Interest to Bank		101117691		105304327
Interest to Other		869705		1191242
Bank Charges		24052491		15441764
<b>TOTAL</b>		<b>126039887</b>		<b>121937333</b>

( Amount in ₹)

16 OTHER EXPENSES	AS AT		AS AT	
MANUFACTURING EXPENSES	31st MARCH 2014		31st MARCH 2013	
Power & Fuel	19243565		17124885	
Job Work Expenses	28149938		31568446	
Entry Tax	1921131		3217774	
Freight Charges	12170828		11659851	
Other Manufacturing Exp.	27147067		6119398	
		88632529		69690353
ADMINISTRATIVE EXPENSES				
Directors Remuneration	7317250		6559814	
Telephone Expenses	4954906		4564593	
Conveyance Expenses	15467536		11638813	
Consultancy Charges	4443106		3951038	
Other Office Exp.	9792389		9509168	
		41975187		36223426
SELLING & DISTRIBUTION EXPENSES				
Clearing & Forwarding Charges	3848796		2035427	
Office & Godown Rent	6242059		8729962	
Traveling Expenses	51970992		39648482	
Advertising Exp.	75760787		43575314	
Market Development Exp.	72166398		30000800	
Exhibition and Promotional Exp.	5767159		172698	
Transportation Charges	9717187		7664176	
ECGC Premium	9219887		7502190	
Other Expenses	580254073		318669152	
		814947338		457998201
OTHER EXPENSES				
Legal & Professional Exp.	4563820		3691808	
Payment to Auditors	300000		315000	
Repair & Maintainance	5506881		2360255	
Taxes & Duties	3402566		5454058	
Other Exp.	12915204		15604868	
		26688472		27425988
MISC. EXP. WRITTEN OFF		2366535		3093084
<b>TOTAL</b>		<b>974610061</b>		<b>594431053</b>
17 EARNING PER SHARE				
i) Net Profit After Tax		249783071		168186450
ii) Weighted No. of Shares Outstanding		15243793		14643793
iii) No. of Potential Equity Shares (Outstanding Share warrants)		1500000		-
iv) Weighted No. of Shares Outstanding including Potential Equity Shares for diluted EPS		16743793		-
v) Basic EPS		16.39		11.49
vi) Diluted EPS		14.92		11.49

## 18 RELATED PARTY DISCLOSURES

Consolidated related party transactions are same as related party transaction of stand alone financial statements.

## 19 CONTINGENT LIABILITIES

Consolidated contingent liability are same as contingent liability of stand alone financial statements.

## 20 ADDITIONAL FINANCIAL INFORMATION

( Amount in ₹)

Financial Information of Subsidiaries for the year ended 31st March 2014		
Particulars	Shakti Pumps LLC	Shakti Pumps FZE
a) Paid Up Share Capital	3331941	2206115
b) Share Premium	-	-
c) Other Reserves	-	-
d) Total Assets	40191956	226814784
e) Total Liabilities	40191956	226814784
f) Investments	-	-
g) Turnover	12983824	522353235
h) Profit/(Loss) Before tax	(4978694)	(10372635)
i) Provision for Tax	-	-
j) Profit/(Loss) After Tax	(4978694)	(10372635)
k) Proposed Dividend	-	-

## Closing Exchange Rates

1 USD = 60.75 INR

1 AED = 16.30 INR

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014

For and on Behalf of the Board





## Independent Auditor's Report

To  
The Members of  
SHAKTI PUMPS (INDIA) LTD.

### Report on the Financial Statements

We have audited the accompanying financial statements of SHAKTI PUMPS (INDIA) LIMITED ("the Company"). These comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The standards require that we comply with ethical requirements as also plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

SD/-  
Vinay Gandhi  
(Proprietor)  
M No. (75972)

Place: Pithampur  
Date: 14.05.2014

## Annexure to the Auditor's Report

### Referred to in Paragraph of Report on Other Legal & Regulatory Requirements

1. In respect of its fixed assets:
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets in respect to all its locations on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification of the fixed assets at reasonable intervals which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.
  - c) In our opinion and according to the information and explanation given to us, any substantial part of fixed assets has not been disposed of by the company during the year.
2. In respect of its inventories:
  - a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year at reasonable interval. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the act:
  - a) The company has granted loan to two parties covered in the register maintained under section 301 of the Act as follows:

Name of the Party	Max. Amount Outstanding During The Year	Balance as on 31.03.2014
Vintex Tools Pvt. Ltd	₹ 8,32,17,585/-	₹ 8,32,17,585/-
Aquanox Pumps Limited	₹ 9,02,41,213/-	₹ 9,02,41,213/-

- b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms & conditions of loan given by the Company, are not prima facie prejudicial to the interest of the company.
- c) The Principal amount are repayable over a period of one to three years, while the interest is payable annually at the discretion of the company.
- d) In respect of the said loans and interest thereon, there are no overdue amounts.
- e) The company has not taken any loans, secured or unsecured from companies, firms or other Parties covered in the register maintained under section 301 of the Act. Accordingly, Clauses (iii) (f) and (iii) (g) of the paragraph 4 of the order are not applicable to the company for the current year.

4. In our opinion and according to the information and explanation given to us, there is an adequate Internal Control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in section 301 of the act:
- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements or transactions referred to in section 301 of the Act have been entered in the register required to be maintained under section 301 of the Act.
- b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at price which are prima facie reasonable, having regard to prevailing market price at the relevant time where such market prices are available.
6. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public during the year. Therefore, the provisions of clause (vi) of paragraph 4 of the order is not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section clause (d) of sub section (1) of section 209 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, Income Tax, VAT, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.

b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute. The particular of dues of excise duty & income tax as at 31st March 2014 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty Including Interest and penalty	₹ 47,70,000	2005-06	Appellate Tribunal, New Delhi
The Income Tax Act, 1961	Income Tax Including Interest & Penalty	₹ 1,65,51,590	2010-11	Commissioner (Appeals), Indore

10. The company does not have accumulated losses as at March 31, 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
12. In our opinion and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause (xiii) of paragraph 4 of the order relating to chit fund/ nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanation given to us, there are no funds raised on short- term basis which have been used for long term investment.
18. According to the information & explanations given to us the company has made preferential allotment of shares warrants to parties covered in the register maintained under section 301 of the Act. In our opinion, the price on which this share warrants have been issued is not prejudicial to the interest of the company.
19. The company has no Outstanding Debenture during the year.
20. The company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material instance of fraud on or by the company noticed or reported during the year.

**For Vinay Gandhi & Associates**  
**Chartered Accountants**  
 FRN: 014442C

SD/-  
**Vinay Gandhi**  
**(Proprietor)**  
 M No. (75972)

Place: Pithampur  
 Date: 14.05.2014

# Significant Accounting Policies & Notes

## A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on the basis of going concern assumption in accordance with the applicable accounting standards in India and the provisions of the Companies Act, 1956.

## B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

## C. Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes including any cost attributable for bringing the assets to its working condition for its intended use less accumulated depreciation.

## D. Depreciation

Depreciation has been charged on fixed assets on straight-line basis from the month of addition and to the month of sale at the rates specified in schedule XIV of the Companies Act, 1956. 100% depreciation has been charged on assets valued up to ₹ 5000/- per item.

## E. Foreign Currency Transaction

- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates.
- Non Monetary foreign currencies items are carried at cost.
- Any income or expense on account of exchange differences either on settlement or on translation is recognized in the profit & loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## F. Investments

Current Investments are carried at lower of cost and fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

## G. Inventories

Item of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. The cost of work in progress and finished goods is determined on absorption cost price.

## H. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue on sale of goods is recognized on passes of title to customers, sales are excluding of VAT, Excise duty and adjustment for rate difference. Export sale are accounted for on the basis of dates of bill of lading.

## I. Excise duty/CENVAT

Excise duty is accounted for on the basis of payment made in respect of goods cleared. CENVAT claim on purchase of raw material is reduced from the cost of raw material.

## J. Employee Benefits

- Short Term Employee benefits are recognized as an expense at the undiscounted amount in profit & loss account of the year in which the related service is rendered.
- Defined benefit plans: The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.
- Defined contribution plans: Company's contribution to Provident Fund, ESIC scheme for the year is charged to Profit and Loss account. Retirement benefit, medical reimbursement and leave payments to employees are accounted for on cash basis.

## K. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss account.

## L. Provision for Current & Deferred Tax

Provision for current tax is made after taking into account benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "Timing Difference" between taxable incomes & accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date.

## M. Provisions, Contingent Liabilities & Contingent Assets

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

## N. Segment Reporting

The Company is mainly engaged in the business of manufacturing various types of Pump & Motors. Considering the nature of business & financial reporting of the Company, the company has only one segment as reportable segment. The Company operates in Local & Export Segments Geographically. The sales for both are separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

## O. Share Warrant

During the Year Company has issued ₹ 15,00,000 (Fifteen Lacs) Equity Warrants on a preferential basis to promoter and promoter group relatives with each warrant convertible into equity share of nominal value of ₹ 10/- each. The warrant shall be converted into equity shares within a period of 18 Months from the date of allotment.

The share warrant are issued at ₹ 80/- per warrant i.e. the equity share of ₹ 10/- each are being offered at a premium of ₹ 70/- per share. During the year company received 25% of total consideration and the warrant holder shall on or before the date of conversion pay the balance 75% of the consideration towards conversion of equity shares.

## Standalone Balance Sheet As At 31st March 2014

(Amount in ₹)

Particulars	Note No.	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' Funds			
Share Capital	1	152437930	152437930
Reserves and Surplus	2	1176147147	948304669
Share Warrant Money		30000000	-
		1358585077	1100742599
2 Non-Current Liabilities			
Long-Term Borrowing	3	269943582	207190694
Deferred Tax Liability (Net)	4	57514414	45296085
		327457996	252486779
3 Current Liabilities			
Short-Term Borrowing	5	688271719	617268734
Trade Payables	6	268145770	209766479
Other Current Liabilities	7	303769504	193880798
Short-Term Provisions	8	159048475	94410432
		1419235468	1115326443
<b>TOTAL</b>		<b>3105278541</b>	<b>2468555821</b>
<b>II. ASSETS</b>			
1 Non-current assets			
Fixed Assets			
(i) Tangible Assets	9	895784279	802698928
(ii) Capital Work-In-Progress		15429770	-
Non-Current Investments	10	5540056	5540056
Long-Term Loans and Advances	11	188717535	113950716
Other Non-Current Assets	12	169972697	58829891
		1275444337	981019591
2 Current assets			
Inventories	13	633116740	658413240
Trade Receivables	14	936279028	641218729
Cash and Bank Balances	15	65935206	43898899
Short-Term Loans and Advances	16	194503229	144005361
		1829834204	1487536230
<b>TOTAL</b>		<b>3105278541</b>	<b>2468555821</b>
Significant Accounting Policies Notes on Financial Statements	1 to 28		

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

For and on Behalf of the Board

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014

## Statement of Profit & Loss for the Year Ended 31st March 2014

(Amount in ₹)

Particulars	Note No.	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
1	2	3	4
<b>I INCOME</b>			
Revenue From Operations			
Sales of Products	17	3014612444	2145693003
Less : Excise Duty Recovered		(49089158)	(42339111)
Net Sales		2965523286	2103353892
Other Income	18	101894226	65638297
Total Revenue		3067417512	2168992189
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	19	1290310810	949295895
Changes in Inventories of Finished Goods, Stock-in-Progress & Stock-in-Trade	20	17202091	41685310
Employee Benefits Expense	21	254669247	208000832
Finance Costs	22	125861398	121845942
Depreciation & Amortization Expense	9	67671910	50053679
Other Expenses	23	954714528	586173696
Total Expenses		2710429983	1957055353
<b>III Profit Before Tax</b>		<b>356987528</b>	<b>211936836</b>
<b>IV Tax expense:</b>			
Current Tax		84840864	43734210
Deferred Tax		12218329	10697350
Mat Credit Entitlement		(5206064)	(26954271)
<b>V Profit After Tax For The Year</b>		<b>265134400</b>	<b>184459547</b>
<b>VI Earning per equity share of Face Value of ₹ 10/- Each</b>			
Basic	24	17.39	12.60
Diluted		15.83	12.60
Significant Accounting Policies Notes to the Financial Statements	1 to 28		

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

For and on Behalf of the Board

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014

## Cash Flow Statement For The Year 2013-14

( Amount in ₹ )

Particulars	31st MARCH 2014		31st MARCH 2013	
<b>ACASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit After Tax As Per Profit & Loss Account		265134400		184459547
Adjusted For :				
Depreciation Exp.	67671910		50053679	
Mics. Exp. Written off.	2366535		3093084	
Interest Income	(20139848)		(12053110)	
Interest Paid	101987396		106495569	
Loss on Sale of Fixed Assets	36059		3382003	
Profit on Sale of Fixed Assets	(58670)		(754391)	
Deferred Expenditure Not Included Above	(111142806)		(10914915)	
Mat Credit	(5206064)		(26954271)	
Deferred Tax	12218329		10697350	
		47732841		123044999
Operating Profit Before Working Capital Changes		312867240		307504546
Adjusted For :				
(Increase)/Decrease in Trade & Other Receivables	(295060299)		(212187411)	
(Increase)/Decrease in Inventories	25296501		59150485	
Increase in Trade Payables	58379291		62315824	
Increase in Other Current Liabilities & Provisions	77648037		45683065	
		(133736470)		(45038038)
<b>Net Cash Flow From Operating Activities ( A )</b>		<b>179130770</b>		<b>262466508</b>
<b>BCASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(177323886)		(289240203)	
Sale of Fixed Assets	2041925		32983793	
Sale of Investments	-		5177243	
Interest Received	20139848		12053110	
Deposits	(8778934)		22650249	
Movement in Loan & Advances	(125264687)		(47666077)	
<b>Net Cash Used in Investing Activities ( B )</b>		<b>(289185735)</b>		<b>(264041885)</b>
<b>CCASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings (NET)	142013469		17330659	
Short Term Borrowings ( NET )	71002985		112271294	
Dividend Paid ( Inc. DDT)	(17716717)		(16322047)	
Interest on Term Loans & Others Paid	(101987396)		(106495569)	
Money Received Against Share Warrants	30000000		69550000	
Proceeds From Optionally Convertible Debentures (Net)	0		(97498400)	
<b>Net Cash Used in Financing Activities ( C )</b>		<b>123312340</b>		<b>(21164063)</b>
Net Change in Cash & Cash Equivalents (A+B+C)		13257375		(22739440)
Cash & Cash Equivalents at the beginning of the year		6169799		28909239
Cash & Cash Equivalents at the end of the year		19427174		(6169799)

Note : 1. Figures in Brackets represent Cash Outflow 2. Previous Year Figures Regrouped wherever necessary.

As per our Report of even date

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

For and on Behalf of the Board

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014

# Notes on Financial Statements for the Year Ended 31st March 2014

The previous year figures have been regrouped / reclassified , wherever necessary to confirm to the current year presentation.

( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>1 SHARE CAPITAL</b>				
Authorised Share Capital : 25000000 Equity Shares of ₹ 10 each (Previous year 25000000 shares of ₹ 10 each)	250000000		250000000	
Issued & Subscribed Capital 15423993 Equity Shares of ₹ 10 each (Previous year 15423993 shares of ₹ 10 each)	154239930		154239930	
Paid Up Capital 15243793 Equity Shares of ₹ 10 each (Previous year 15243793 shares of ₹ 10 each)		152437930		152437930
<b>TOTAL</b>		<b>152437930</b>		<b>152437930</b>
1.1 Reconciliation of shares outstanding at the beginning and at the end of the year				
Equity Shares				
At the beginning of the year		15243793		14043793
Issued during the year		-		1200000
Outstanding at the end of the year		15243793		15243793

1.2 180200 Shares out of Issued Share are forfeited by the company which has not been reissued.

1.3 The details of shareholders holding more than 5% Shares :

Name of the Shareholder	As at March 2014		As at March 2013	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	23.10	3521488	23.10
Green India Venture Fund	1134556	7.44	1597993	10.48
Sunil Patidar	1550200	10.17	1550200	10.17
M.L. Securities & Finance Pvt. Ltd	1888142	12.39	1938142	12.71

<b>2 RESERVES &amp; SURPLUS</b>				
Capital Reserve As per Last Balance Sheet	2057800		2057800	
		2057800		2057800
Securities Premium Reserve As per Last Balance Sheet Add: Received During the year	341145471		241545471	
	-	341145471	99600000	341145471
General Reserve As per Last Balance Sheet Add: Transferred from Profit & Loss Account Less: Bonus Share Issued	605101398		452889716	
	227842477		158211682	
	-	832943876	(6000000)	605101398
Profit & Loss Account As Per Last Balance Sheet Add: Profit for the Year	-		-	
	265134400		184459547	
Less: Appropriations/Adjustments				
Proposed Dividend	(30487586)		(15243793)	
Dividend Tax	(5181365)		(2472924)	
Short Provision for Bonus	0		(2102307)	
Excess Provision for Income Tax 2012-13	52469		-	
Income Tax Related to Earlier Year	(1675440)		(1251598)	
Investment Written Off	0		(5177243)	
Transferred to General Reserve	(227842477)		(158211682)	
<b>TOTAL</b>		<b>1176147147</b>		<b>948304669</b>

( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>3 LONG TERM BORROWING</b>				
SECURED				
Term Loan From Banks - Rupee Loan	171413697		50574913	
		171413697		50574913
External Commercial borrowing From Banks Foreign Currency Loan	93344531		148443750	
		93344531		148443750
Vehicle Loan		5185354		8172031
<b>TOTAL</b>		<b>269943582</b>		<b>207190694</b>
3.1 Current Maturities of Long Term Debt ( See Note 7 )				
Term Loan		121812000		41693608
Rupee Loan		49767188		50625000
External Commercial Borrowing		171579188		92318608

3.2 Borrowing from banks and ECB are secured by way of :-

Primary - All the current assets of the company situated at Plot No. 1 Sector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15, Phase-I, Sector III SEZ, Pithampur and Plot No. 401,402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

Collateral-All the fixed assets of the company situated at Plot No. 1 Sector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15 , Phase-I, Sector III SEZ, Pithampur and Plot No. 401,402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

3.3 Vehicle Loans are secured by respective vehicles.

<b>4 DEFERRED TAX LIABILITY (Net )</b>				
Deferred Tax Liability		57514414		45296085
<b>TOTAL (NET)</b>		<b>57514414</b>		<b>45296085</b>
<b>5 SHORT TERM BORROWING</b>				
SECURED				
Working Capital Loans From Banks Cash Credit Limit	307480207		306735387	
Packing Credit Limit	380791512		310533347	
		688271719		617268734
<b>TOTAL</b>		<b>688271719</b>		<b>617268734</b>

5.1 Working Capital loans and packing credit are secured as below :

Primary - All the current assets of the company situated at Plot No. 1 Sector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15 , Phase-I, Sector III SEZ, Pithampur and Plot No. 401,402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

Collateral-All the fixed assets of the company situated at Plot No. 1 Sector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15 , Phase-I, Sector III SEZ, Pithampur and Plot No. 401,402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

5.2 Personal Guarantee of Directors & Others.

## Notes on Financial Statements for the Year Ended 31st March 2014

The previous year figures have been regrouped / reclassified , wherever necessary to confirm to the current year presentation.

### 9. FIXED ASSETS

Sn	Description	Gross Block as on 01.04.2013	Addition Before 30.09.2013	Addition After 01.10.2013	Addition	Deletion	Total	Adjustment During the year	Gross Block as on 31.03.2014	Depreciation For the year	Depreciation up to 31.03.2013	Deletion	Adjustment During the year	Total	Net Block as on 31.03.2014
1	Computers	27575462	1708396	981078	2689474	104187	30160749	0	30160749	3876927	10763042	96453		14543516	15617233
2	Equipments	14098357	1810599	1161845	2972444	0	17070801	869	17069932	980549	4011555	0	78	4992026	12077906
3	Office Buildings	31003838	275400	0	275400		31279238	0	31279238	505375	534646	0		1040021	30239217
4	Factory Buildings	179649233	813074	4004830	4817904		184467137	0	184467137	6103131	18974760	0		25077891	159389246
5	Furniture	29123520	471639	1054070	1525709	0	30649230	225	30649005	1897571	8633331	0	91	10530810	20118194
6	Land	17838087	0	0	0		17838087	0	17838087		0	0		0	17838087
7	Plant & Machinery	460579587	49935587	16264644	66200231	1011435	525768382	0	525768382	23347384	87941696	364522		110924559	414843823
8	Tools	288014621	58864248	24548706	83412954	229276	371198299	41473	371156826	29836302	125605984	8362	6707	155427217	215729609
9	Vehicles	12485148	0	0		697026	11788122	0	11788122	1124670	1203911	471422		1857159	9930963
	Total	1060367853	113878943	48015173	161894117	2041925	1220220045	42567	1220177478	67671910	257668925	940759	6877	324393199	895784279
10	Capital W.I.P	0	14162709	1267061	15429770		15429770	0	15429770	0	0	0		0	15429770
	Total	1060367853	128041652	49282234	177323886	2041925	1235607248	42567	1235607248	67671910	257668925	940759	6877	324393199	911214049

( Amount in ₹ )

( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>6 TRADE PAYABLES</b>				
Creditors for Raw Material		268145770		209766479
<b>TOTAL</b>		<b>268145770</b>		<b>209766479</b>
<b>7 OTHER CURRENT LIABILITIES</b>				
Current Liabilities of Long Term Debt (Refer Note 3)		171579188		92318608
Creditors for Capital Expenditure		42568440		15855645
Creditors for service & others		66873903		67362688
Unclaimed Dividend		1441367		1407582
Advance from Customers		9827865		7908666
Statutory Payable		7134484		3986391
Expenses Payable		4344257		5041218
		303769504		193880798
<b>8 SHORT TERM PROVISIONS</b>				
Provision for Employee Benefits		38538660		32959505
Others				
Proposed Dividend	30487586		15243793	
Tax on Dividend	5181365		2472924	
Provision for Income Tax	84840864		43734210	
		120509815		61450927
<b>TOTAL</b>		<b>159048475</b>		<b>94410432</b>
<b>10 NON CURRENT INVESTMENTS</b>				
Non-Trade Investments				
In Equity Shares of Subsidiaries				
Unquoted Fully Paid Up				
a. Shares of Shakti Pumps FZE, Sharjah UAE of AED 150000 each	2206115		2206115	
b. 65000 Shares of Shakti Pumps USA LLC , USA of USD 1 each	3331941		3331941	
		5538056		5538056
In Equity shares of Others				
Unquoted Fully Paid Up				
Cosmos Bank	2000		2000	
		2000		2000
<b>TOTAL</b>		<b>5540056</b>		<b>5540056</b>
<b>11 LONG TERM LOANS &amp; ADVANCES</b>				
(Unsecured & Considered Good)				
Advance for Capital Goods		15258736		14972545
Loan to Related Parties		173458798		98978172
<b>TOTAL</b>		<b>188717535</b>		<b>113950716</b>
<b>12 OTHER NON-CURRENT ASSETS</b>				
Miscellaneous Expenditure		161756688		58829891
Trade Receivables ( More than 365 Days) (to the extent not written off or adjusted )		8216009		-
<b>TOTAL</b>		<b>169972697</b>		<b>58829891</b>



( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>13 INVENTORIES</b>				
Raw Material		284821396		292915806
Work In Process		189671604		236465249
Finished Goods		158623739		129032185
<b>TOTAL</b>		<b>633116740</b>		<b>658413240</b>
<b>14 TRADE RECEIVABLES</b> (Unsecured & Considered good)				
Over Six Months		134766954		114929968
Others		801512074		526288761
<b>TOTAL</b>		<b>936279028</b>		<b>641218729</b>
<b>15 CASH &amp; BANK BALANCES</b>				
Balances with Banks		18145564		5386544
Cash Balance		1281608		783255
Fixed Deposits With Bank		46508034		37729100
<b>TOTAL</b>		<b>65935206</b>		<b>43898899</b>
15.1 Balance with Banks includes Unclaimed Dividend of ₹ 1445392/- (Previous year ₹ 1428807/-)				
<b>16 SHORT TERM LOAN &amp; ADVANCES</b>				
Balances With Statutory authorities		88257320		58274018
Advance Income Tax		41000000		32000000
Advance for Salary & tour		3980628		8439407
Prepaid Expenses		5368803		6910462
Deposits		12770654		7928527
Other Short Term Loan & Advances		43125826		30452947
<b>TOTAL</b>		<b>194503229</b>		<b>144005361</b>
<b>17 REVENUE FROM OPERATION</b>				
Sales of Finished Products		3014612444		2145693003
<b>TOTAL</b>		<b>3014612444</b>		<b>2145693003</b>
17.1 Detail of Sales				
Sale of Products				
Domestic		939467298		763450393
Export		2075145145		1382242610
<b>TOTAL</b>		<b>3014612444</b>		<b>2145693003</b>
<b>18 OTHER INCOME</b>				
Interest Income		20139848		12053110
Other Operating Income		81754378		53585188
<b>TOTAL</b>		<b>101894226</b>		<b>65638297</b>

( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>19 COST OF MATERIAL CONSUMED</b>				
Opening Stock of Raw Material		292915806		310380982
Add: Purchase of Raw Material		1282216400		931830720
Total		1575132206		1242211701
Less: Closing Stock of Raw Material		284821396		292915806
<b>TOTAL</b>		<b>1290310810</b>		<b>949295895</b>
19.1 Value of Raw Material Consumed	Amount (In ₹)	% of Consumption	Amount (In ₹)	% of Consumption
Imported	393591184	30.50	175619741	18.50
Indigenous	896719626	69.50	773676154	81.50
<b>TOTAL</b>	<b>1290310810</b>	<b>100.00</b>	<b>949295895</b>	<b>100.00</b>
<b>20 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS</b>				
Inventories (at Close)				
Finished Goods/Stock in Trade	158623739		129032185	
Stock In Process	189671604	348295343	236465249	365497434
Inventories ( at Commencement )				
Finished Goods/Stock in Trade	129032185		184446113	
Stock In Process	236465249	365497434	222736631	407182744
<b>TOTAL</b>		<b>(17202091)</b>		<b>(41685310)</b>
<b>21 EMPLOYEE BENEFIT EXPENSES</b>				
Salaries & Wages ( Including Bonus )		233683691		188083354
Contribution to Provident & Other Funds		6063718		10241300
Staff Welfare Expenses		14921838		9676178
<b>TOTAL</b>		<b>254669247</b>		<b>208000832</b>
<b>22 FINANCE COST</b>				
Interest to Bank		101117691		105304327
Interest to Other		869705		1191242
Bank Charges		23874003		15350373
<b>TOTAL</b>		<b>125861398</b>		<b>121845942</b>
<b>23 OTHER EXPENSES</b>				
<b>MANUFACTURING EXPENSES</b>				
Power & Fuel	19243565		17124885	
Job Work Expenses	28149938		31568446	
Entry Tax	1921131		3217774	
Freight Charges	12170828		11659851	
Other Manufacturing Exp.	26067531		5598352	
<b>TOTAL</b>		<b>87552993</b>		<b>69169307</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Directors Remuneration	7317250		6559814	
Telephone Expenses	4954906		4564593	
Conveyance Expenses	15467536		11638813	
Consultancy Charges	4443106		3951038	
Other Office Exp.	5853856		6806697	
<b>TOTAL</b>		<b>38036654</b>		<b>33520956</b>

( Amount in ₹ )

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>				
Clearing & Forwarding Charges	3848796		2035427	
Office & Godown Rent	6242059		8729962	
Traveling Expenses	51970992		39648482	
Advertising Exp.	75760787		43575314	
Market Development Exp.	72166398		30000800	
Exhibition and Promotional Exp.	5767159		172698	
Transportation Charges	9717187		7664176	
ECGC Premium	9219887		7502190	
Other Expenses	573907083		313820957	
<b>TOTAL</b>		<b>808600348</b>		<b>453150006</b>
<b>OTHER EXPENSES</b>				
Legal & Professional Exp.	4563820		3535460	
Payment to Auditors	300,000		315,000	
Repair & Maintenance	5506881		2360255	
Taxes & Duties	3402566		5454058	
Other Exp.	4384730		15575571	
		18157998		27240343
MISC. EXP. WRITTEN OFF		2366535		3093084
<b>TOTAL</b>		<b>954714528</b>		<b>586173696</b>
23.1 Payment To Auditors As				
(a) Statutory Auditor		130000		130000
(b) For Taxation Matters		110000		110000
(c) For Other Services		60000		75000
<b>TOTAL</b>		<b>300000</b>		<b>315000</b>
<b>24 EARNING PER SHARE</b>				
i) Net Profit After Tax		265134400		184459547
ii) Weighted No. of Shares Outstanding		15243793		14643793
iii) No. of Potential Equity Shares (Outstanding Share warrants)		1500000		-
iv) Weighted No. of Shares Outstanding including Potential Equity Shares for diluted EPS		16743793		-
v) Earning Per Share				
Basic		17.39		12.60
Diluted		15.83		12.60
<b>25 ADDITIONAL INFORMATION</b>				
25.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF				
Raw Material		391122098		246989956
Capital Goods		33679811		27978459
<b>TOTAL</b>		<b>424801909</b>		<b>274968414</b>
25.2 EXPENDITURE IN FOREIGN CURRENCY				
Exhibition & Promotional Exp.		6325426		2424698
Traveling Exp.		23928431		5822378
Advertisement Exp.		4636859		-
		34890716		8247076
25.3 EARNING IN FOREIGN CURRENCY				
FOB Value of Exports		1543159873		1089666034
<b>TOTAL</b>		<b>1543159873</b>		<b>1089666034</b>

**26 RELATED PARTY DISCLOSURES**

## (i) List of Related Parties

S. No.	Name of Related Party	Relationship
1	Shakti Pumps USA LLC	Wholly Owned Subsidiary Company
2	Shakti Pumps FZE, UAE	Wholly Owned Subsidiary Company
3	Aquanox Pumps Limited	Enterprise over which Key management are able to exercise significant influence
4	Vintex Tools Pvt. Ltd	Enterprise over which Relative of Key Mgt. are able to exercise significant influence
5	Shakti Energy Solutions Pvt.Ltd	Enterprise over which Relative of Key Mgt. are able to exercise significant influence
6	Dinesh Patidar	Key Managerial Personnel
7	Sunil Patidar	
8	Ramesh Patidar	

## (ii) Transaction during the year with related parties.

S.No.	Name of Party	Nature of Transaction	Amount in ₹
1	Shakti Pumps USA LLC	Sale of Pumps & Motors	17407723
2	Shakti Pumps FZE, UAE	Sale of Pumps & Motors	546902708
3	Aquanox Pumps Limited	Purchase of Rubber Components	61236805
		Sale of Pump & Motors	11267976
4	Vintex Tools Pvt. Ltd	Purchase of Dies	76434832
6	Shakti Energy Solutions Pvt. Ltd.	Purchase of Solar Pumps	2987512
7	Dinesh Patidar	Remuneration	3958980
8	Sunil Patidar	Remuneration	1240836
		Other Allowances	196865
9	Ramesh Patidar	Remuneration	1978980
		Other Allowances	100385

## (iii) Balances as at 31.03.2014

S.No	Nature	Name of Party	Amount in ₹
1	Investments	Shakti Pumps USA LLC Shakti Pumps FZE, UAE	3331941 2206115
2	Trade Receivables	Shakti Pumps USA LLC Shakti Pumps FZE, UAE Aquanox Pumps Limited	36829704 235072513 5951378
3	Trade Payables	Vintex Tools Pvt. Ltd Aquanox Pumps Limited	30928377 10720518
4	Loan & Advances	Vintex Tools Pvt. Ltd Aquanox Pumps Limited	83217585 90241213

**27 FINANCIAL & DERIVATIVE INSTRUMENTS**

Foreign Currency exposure that are not hedged by derivative instruments as on 31.03.2014 are as follows :

Nature of Transaction	External Commercial Borrowing
Currency	USD
Balance in Foreign Currency	2812500
Balance in ₹	143111719

**28 CONTINGENT LIABILITIES AND COMMITMENTS**

S.No	Particular	(Amt. in Lakhs) As At 31.03.2014
1	Bank Guarantee Outstanding	106.65
2	Unexpired Letter of Credit	2008.31
3	Excise Demand Under Dispute	47.70
4	Income Tax Demand Under Dispute	165.51

For Vinay Gandhi & Associates  
Chartered Accountants  
FRN: 014442C

For and on Behalf of the Board

SD/-  
Vinay Gandhi  
(Proprietor)  
(M No. 75972)

SD/-  
Manoj Maheshwari  
(Company Secretary)

SD/-  
Dinesh Patidar  
(Chairman cum Managing Director)

SD/-  
Ramesh Patidar  
(Executive Director)

Place : Pithampur  
Date : 14.05.2014



## Corporate Information

### Board of Directors:

Mr. Dinesh Patidar, Managing Director

Mr. Sunil Patidar, Executive Director

Mr. Ramesh Patidar, Executive Director

Ms. Pooja Mahajan, Nominee Director

Mr. Raj Kumar Jain, Independent Director

Mr. S.S. Raghuvanshi, Independent Director

Mr. Navin Sunderlal Patwa, Independent Director

### Company Secretary:

Mr. Manoj Maheshwari

### Auditors:

M/s Vinay Gandhi & Associates

105, Man Heritage, 6/2 South Tukoganj,

Near High Court, Indore-452001

### Bankers:

State Bank of India

Standard Chartered Bank

Axis Bank Ltd

### Registered Office

Plot No. 401, 402 & 413, Industrial Area, Sector-III,  
Pithampur-454 775 (MP) India

### Registrar and Transfer Agent:

Adroit Corporate Services Pvt. Ltd.

19/20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road, Marol Naka,

Andheri (E), Mumbai- 400 059

Ph. No. - (022) 28594060, 28596060

Fax No. - (022) 28503748

Email - pratapp@adroitcorporate.com

## PROXY FORM

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

### SHAKTI PUMPS (INDIA) LIMITED CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401, 402 & 413, Industrial Area, Sector-III, Pithampur-454774, District-Dhar, Madhya Pradesh, India  
Email:secretaril@shaktipumpsindia.com

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 Shakti Pumps (India) Limited, hereby appoint:

	NAME	ADDRESS	EMAIL ID	SIGNATURE	
1					or failing him
2					or failing him
3					or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Thursday, July 31, 2014 at 11.00 A.M. at the Registered Office of the Company, Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated in the box below.

Resolution No.	RESOLUTIONS		
	<b>Ordinary Business</b>	For	Against
1	Adoption of Financial Statements for the year ended March 31, 2014.		
2	Approval of final dividend for the year ended March 31, 2014.		
3	Re-appointment of Mr. Ramesh Patidar who retires by rotation.		
4	Appointment of Auditors and fixing their remuneration.		
	<b>Special Business</b>		
5	Appointment of Ms. Pooja Mahajan as a Nominee Director		
6	Appointment of Mr. Rajkumar Jain as an Independent Director		
7	Appointment of Mr. S. S. Raghuvanshi as an Independent Director		
8	Appointment of Mr. Navin Sunderlal Patwa as an Independent Director		
9	Increase in Remuneration of Mr. Dinesh Patidar, Managing Director		
10	Resolution under Section 181 (1) (a) of the Companies Act, 2013 lease or otherwise dispose.		
11	Resolution under Section 181 (1) (c) of the Companies Act, 2013 for borrowing.		
12	Appointment and fixing remuneration of Cost Auditor.		

Signature of Shareholder

Signature of Proxy holder(s)

## SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401, 402 & 413, Industrial Area, Sector-III, Pithampur-454774, District-Dhar, Madhya Pradesh, India

Email:secretaril@shaktipumpsindia.com

### ATTENDANCE SLIP

19th Annual General Meeting on Thursday, July 31, 2014 at 11.00 A.M at the Registered Office of the Company

DP/ID No.		Folio No.	
-----------	--	-----------	--

Client Id		No. of shares held	
-----------	--	--------------------	--

Mr./Mrs./Miss

I certify that I am registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 19th Annual General Meeting of the Company held on Thursday, July 31, 2014 at 11.00 A.M at the Registered Office of the Company at Plot No. 401, 402 & 413, Industrial Area, Sector-III, Pithampur-454774, District-Dhar, Madhya Pradesh, India .

Proxy's Name in Block letters

Member's/Proxy's Signature

#### NOTES:

1. If it is intended to appoint a proxy, the Form should be completed and deposited at the registered office of the Company at least 48 hours before the Meeting.
2. Shareholders/proxy holders are requested to bring the attendance slips with them when they come to Meeting and handover at the entrance after affixing their signature on them.
3. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting, in view of the increasing cost of Annual Report.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he wishes.





**SHAKTI PUMPS (I) LTD.**

CIN: L29120MP1995PLC009327

Regd. Office & Works : Plot No.401, Sector - 3,  
Pithampur - 454774, Dist.- Dhar (M.P.) - INDIA

Tel.: +91-7292 410500 Fax: +91-7292-407044,

E-mail: [info@shaktipumps.com](mailto:info@shaktipumps.com), [sales@shaktipumps.com](mailto:sales@shaktipumps.com)

Web: [www.shaktipumps.com](http://www.shaktipumps.com)