



Date:-07.09.2022

To, The Secretary, Listing Department The National Stock Exchange of India Ltd Exchange Plaza, BKC, Bandra (E) Mumbai- 400051	To, The Secretary, Listing Department The BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
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ISIN:-INE908D01010, NSE Symbol SHAKTIPUMP, BSE Code: - 531431

**Subject:- Submission of 27<sup>th</sup> Annual Report for the Financial Year ended 31<sup>st</sup> March, 2022 pursuant to regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual report of the Company including the Notice of 27<sup>th</sup> AGM, Board Report's, Audit Report and Financial Statement for the Financial Year 2021-22.

The same is also available on the website of the Company at [www.shaktipumps.com](http://www.shaktipumps.com).

You are requested to kindly take above information on record.

**Thanking You**

**Yours faithfully,**

**For Shakti Pumps (India) Limited**

**Ravi Patidar  
Company Secretary**

Encl: as above

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**SHAKTI PUMPS (INDIA) LIMITED**

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# Pumping Life Enhancing Growth

Annual Report 2021-22



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**‘SHAKTI’ personifies the rudimentary cosmic energy and many believe that it is the force that is responsible for the existence of the Universe. Shakti Pumps is the force behind India’s one major revolution, irrigation and pumping of the farmlands.**

# About the Company

Trailblazing in the space of excellent quality and energy efficient pumps and motors since its incorporation in 1982, Shakti Pumps (India) Ltd. (Shakti) is a notable brand in national as well as international markets. A global pioneer in the manufacture of 100% stainless steel pumps, it is India's first BEE 5 Star rated company. Certified by ISO 9001-2008, the stainless-steel pumps have a 60% higher discharge rate compared to other pumps.

Playing a fundamental role in the agriculture sector of a predominantly agrarian economy of India, Shakti has been changing lives of farmers, empowering them with better and faster means of irrigation.

In addition to flood irrigation and micro irrigation, other advanced water pumping solutions for a wide range of applications like horticulture, domestic water supply, commercial applications and industrial applications are also provided by Shakti.

Shakti offers end-to-end solutions, including electronic control panels, high-end cables,

pipes, drip irrigation systems and sprinklers.

Shakti has wide range of products having varied applications, offering more than 1,200 product variants. The company holds a dominant position with almost 30% - 35% market share in the domestic solar pump market under the PM KUSUM (Prime Minister's Kisan Urja Suraksha Evam Utthaan Mahabhiyan) scheme under the Ministry of New and Renewable Energy. This scheme is one of its kind across the globe, aiming to provide clean energy to more than 35 lac farmers.

Shakti strives to excel with an emphasis on best business and ethical practice with strong organizational values justifying the interest of all stakeholders.

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**Shakti has a wide range of products having varied applications, offering more than 1,200 product variants. The company holds a dominant position with almost 30% - 35% market share in the domestic solar pump market under the PM KUSUM**



## Key Highlights

**500,000**

Units Per Annum

**1,200**

Product Variants

**260**

Pump Models

**27**

Number of patents filed

**2**

Patents Received

**500**

Dealers in India

₹ **1,185** Crore

FY22 Revenue

₹ **117** Crore

FY22 EBITDA

₹ **65** Crore

FY22 Net Profit



**FORTUNE**  
INDIA  
**THE NEXT**  
**500**

**Ranked 305 on  
Fortune India's  
Next 500 list**

# Corporate Structure

The parent body Shakti Pumps (India) Ltd. has multiple subsidiaries for domestic and overseas business.

## Domestic Business

### Shakti Energy Solutions Pvt. Ltd.

- 100% WOS
- Has 1,00,000 solar structures annual capacity
- Located in Pithampur, Madhya Pradesh
- Currently only doing captive production, but has plans to sell to other players as well
- Revenue: ₹ 1,547 mn, PAT: ₹ 83 mn in FY2022

### Shakti Green Industries Pvt. Ltd.

- 100% Subsidiary Incorporated on Dec 2021 to enter into EV competent Solutions like Motors, Controller, Chargers.



## Overseas Business

### Shakti Pumps USA LLC

- 100% WOS based out of USA
- Revenue: ₹ 337 mn, PAT: ₹ 41 mn in FY2022

### Shakti Pumps FZE, UAE

- 100% WOS based out of UAE
- Revenue: ₹ 794 mn, PAT: ₹ 55 mn in FY2022

### Shakti Pumps (Shanghai) Ltd

- 100% WOS based out of China
- PAT ₹ (0.2 mn) in FY2022

### Shakti Pumps (Bangladesh) Ltd

- 100% subsidiary based out of Bangladesh
- Revenue: ₹ 25 mn, PAT: ₹ 0.3 mn in FY2022



# चैयरमेन का संदेश

मुझे यह बताते हुए बड़ी खुशी हो रही है कि इस फायनेंशियल ईअर २०२१-२२ में आपके सामने शक्ति पम्पस् (इण्डिया) लिमिटेड की सालाना रिपोर्ट रख रहा हूं। हमारी कंपनी के इतिहास में यह वर्ष हमारे लिए बहुत ही शानदार रहा है, और हमने इस वर्ष में २ पेटेंट हासिल किए हैं। पहला पेटेंट यूनि-डायरेक्शनल सोलर पम्प और दूसरा S4RM मोटर में प्राप्त किया है। इन दोनों पेटेंट की बहुत सी खूबियां हैं जैसे- पहली खूबी यह है कि यह पहला पेटेंट हमारा ग्रिड-कनेक्टेड सोलर पम्प में है जिससे पानी और उर्जा दोनों की बचत होगी। डिमांड सप्लाय को ध्यान में रखते हुए हमारी कंपनी ने जो की हमारे R&D टीम ने ग्राहक की उच्च रिक्वियारमेंट को देखते हुए, पानी और बिजली की बचत को देखते हुए, टेक्नोलॉजी डेवलप की है उसमें हमें यह पेटेंट प्राप्त हुआ है। S4RM टेक्नोलॉजी में हमने बहुत अच्छा कार्य किया है मोटर एफिशिएंसी को इम्प्रूव किया है। हमारे ग्राहकों का बिजली का बिल कम करना हमारा टारगेट था, जिसके लिए हमारी टीम ने बहुत ही शानदार कार्य किया और दूसरे पेटेंट में एनर्जी एफिशिएंसी को एचीव किया। हमारे सामने एक चैलेंज बिजली कंपनी के लॉसेस का था, जिसे हम कम करना चाह रहे थे, जिसके लिए हमने पावर फेक्टर इम्प्रूवमेंट पर कार्य किया और बहुत अच्छी टेक्नोलॉजी डेवलप हुई और हमें पेटेंट प्राप्त हुआ।

## प्रिय शेयरहोल्डर्स,

हमारे लिए यह वर्ष बहुत ही परिवर्तन वाला रहा, यह साल कोरोना वायरस से लड़ने का भी था साथ ही साथ देशों की लड़ाईओं पर भी था। यह अंतर्राष्ट्रीय चैलेंजिंग जॉब जैसा दिख रहा था, ना हम सेल कर पा रहे थे, ना हम रॉ-मटेरियल के रेटों पर कंट्रोल कर पा रहे थे, इसके बावजूद शक्ति पम्प ने एक उम्दा कार्य किया है।

दुनिया की अर्थव्यवस्था को देखते हुए अभी थोड़ा और समय लगेगा। शक्ति की अपनी चुनौतियों के साथ शक्ति के सभी लोगों ने निडरता के साथ सामना किया और हमारी R&D और प्रोडक्शन टीम ने उसे अवसर में बदला।

मैंने अपने पिताजी से 1980 के आसपास बिजनेस की बागडोर संभाली और उनके मार्गदर्शन में आगे बढ़ते रहा। उन्हीं का सपना था कि हमें स्टेनलेस स्टील पम्प बनाने चाहिए, हमने उसी पर कार्य किया और आगे बढ़ें। स्टील पम्प बनाने के बाद हमें लगा कि यह एनर्जी एफिशिएंट प्रोडक्ट है और इससे ग्राहक के बिजली बिल की भी बचत होगी और स्टेनलेस स्टील होने के कारण पम्प की लाईफ भी बढ़ेगी। यहां से हमारा





एक नया चैप्टर शुरू हुआ, और हम उसी को लेते हुए आगे बढ़े। हमारी R&D की टीम ने इस पर बहुत ही बढ़िया कार्य किया और उसका सदुपयोग किया कि आज हमारे पास 2 पेटेंट हैं, और आगे आने वाले समय में बहुत से पेटेंट हमें अलॉट होंगे। भारत में शक्ति पम्प पहली कंपनी है जिसने स्टेनलेस स्टील पम्प और एनर्जी एफिशिएंट पम्प बनाए हैं साथ यह 5 स्टार रेटिंग वाली भी पहली कंपनी है, जैसा कि आप सभी लोग जानते हैं। इसी का फायदा हमें सोलर पम्प बनाने में भी मिला क्योंकि हमारे एनर्जी एफिशिएंशी का फायदा हमको सौर पम्प में ज्यादा देखने को मिलता है। इस क्षेत्र में हम एक अच्छा मार्केट शेयर लेने जा रहे हैं। आगे भी हमारी कोशिश यही रहेगी कि हम इसमें 30 से 35 प्रतिशत का मार्केटशेयर रखें।

आज हम जिन राज्यों में अपने आप को स्टेब्लिश कर पाए हैं वह है राजस्थान, पंजाब, हरियाणा, मध्यप्रदेश, छत्तीसगढ़ और महाराष्ट्र है। इन राज्यों में हमारा कार्य बहुत ही अच्छी तरह से स्टेब्लिश है, और सोलर पम्प की काफी डिमांड आ रही है। हमने देखा है कि ग्रामीण क्षेत्रों से बहुत ही खुशी और सराहना हमारे प्रोडक्ट को मिल रही है। साथ ही हमने टू-व्हीलर और थ्री-व्हीलर की मोटरों पर भी कार्य किया है और हम चाहते हैं कि आगे आने वाले समय में हम फोर-व्हीलर और सिक्स-व्हीलर के लिए भी कार्य करें। चूंकि शक्ति एनर्जी एफिशिएंट का हमारा एक्सपीरियंस है और इतने सालों से कंपनी मोटर बना रही है और हमारी R&D टीम को भी इसमें अच्छा अनुभव है।

हमने S4RM का पेटेंट USA में फाईल किया था, जो कि हमारे लिए बहुत ही चुनौतीपूर्ण कार्य रहा। इसके लिए हमने खूब मेहनत की और समय दिया, तभी हमें आज यह सफलता प्राप्त हुई है। इसके अलावा हमने 27 पेटेंट और फाईल किए हैं जिसके रिजल्ट आना अभी बाकी है। शक्ति पम्प की नई सहायक ईकाईयों ने भी बहुत अच्छा कार्य किया है जो USA दुबई में है। खासकर शक्ति एनर्जी साल्युशन जो सोलर स्ट्रक्चर पर कार्य कर रही है, वे भी प्रशंसा के पात्र हैं। हमने हाल ही में शक्ति ग्रीन कंपनी को अनाउंस किया है जिसमें हम टू-व्हीलर और थ्री-व्हीलर, फोर-व्हीलर और सिक्स व्हीलर के मोटर एवं कन्ट्रोलर बनाने का प्लान कर रहे हैं, हमें लगता है कि हम बहुत ही

जल्द आगे आने वाले 2 वर्षों में उसका प्रोडक्शन स्टार्ट कर सकते हैं। हमारी कंपनी ने जो सोलर पम्प बनाए हैं वह दूसरे पम्पों से 30 प्रतिशत के आसपास ज्यादा डिस्चार्ज देते हैं, यही कारण है कि हमारे पम्प की डिमांड ज्यादा है।

शक्ति पम्प हमेशा से R&D करते हुए आगे बढ़ रही है जो हमने देखा है कि हमारी शुरुआत से अभी तक हमने टेक्नोलॉजी पर बहुत कार्य किया है, हमारे प्रोडक्ट हमारे ग्राहकों को भी बहुत पसंद आ रहे हैं और आगे आने वाले समय में भी बहुत पसंद आएंगे। यह प्रोडक्ट भविष्य की पीढ़ियों के लिए है, जो एनर्जी एफिशिएंट भी है और पर्यावरण को भी बचाता है।

शक्ति अपनी सामाजिक जिम्मेदारी को भी निभा रही है, हमने जो CSR के लिए प्लानिंग की है उसे बहुत अच्छे से निभा रहे हैं। हमने कोविड में भी कार्य किए हैं और आगे भी स्वास्थ्य, शिक्षा आदि के लिए कार्य करने के इच्छुक हैं।

## पम्प का भविष्य

एनर्जी एफिशिएंट में सुधार और R&D के साथ हम कार्य करते रहते हैं और उसमें हमें सीखने को मिलता है और हमारी कंपनी उसे R&D में सर्वश्रेष्ठ बनाने की कोशिश करती है, हमने हमारी टीम को विश्व का सर्वश्रेष्ठ प्रोडक्ट बनाने का लक्ष्य दिया हुआ है। किसानों द्वारा सोलर पम्प में सराहना प्राप्त हो रही है उससे हम आने वाले समय में अपनी उत्पादन क्षमता, प्रोडक्टिविटी और प्रोफिट को भी बढ़ाना चाहेंगे।

शक्ति सोलर पम्प बहुत ही अच्छा सोल्युशन हो सकता है, हमारे किसानों के लिए जो कि सौर उर्जा सभी जगह उपलब्ध है हमको उसके लिए तार, खंभों, लाईनों, डीजल, परिवहन का खर्च बचा सकते हैं, मेरा ऐसा मानना है कि सोलर पम्प पर्यावरण के अनुकूल है। यह हमारे किसानों के लिए, ग्राहकों के लिए और आज की नीड के अनुसार जितनी जल्दी हो सके सोलर पम्प देश में स्थापित कर पाएं, जिससे कि देश की इकॉनामी भी सुधरेगी। शक्ति पम्प बिजनेस में अपने मार्केटशेयर को बढ़ाने पर कार्य करता रहेगा, पीएम-कुसुम योजना आने वाले समय में बहुत ही प्रभावशाली होगी। हम पीएम-कुसुम के साथी के रूप में खुद को आगे बढ़ता हुआ देखना चाहेंगे।

शक्ति की पूरी टीम और कंपनी हमेशा से भविष्य में एनर्जी एफिशिएंशी और सोलर एनर्जी की तरफ ही कार्य करने के लिए प्रतिबद्ध है और कार्य करती रहेगी क्योंकि हमें लगता है कि पर्यावरण और सामाजिक सुधार इसी के द्वारा आ सकता है। हम पूरी शक्ति के साथ इस ओर कार्य करते रहेंगे।

हम हमेशा सस्टेनेबल प्रोग्राम पर कार्य करते रहेंगे और ग्रामीण क्षेत्रों में सोलर पम्प के सिस्टम को और आगे ले जाएंगे और इंटरनेशनल मार्केट में भी इसे आगे ले जाएंगे तथा सरकार के साथ कदम से कदम मिलाकर उनकी नीतियों पर आगे बढ़ेंगे जो कि हमारी नैतिक जिम्मेदारी भी है।

## फायनेंसियल परफार्मेंस

इस साल के फायनेंसियल डाटा इस प्रकार है कि इस वर्ष आधार पर हमने 27% की वृद्धि राजस्व में जो कि 1185 करोड़ है। EBITDA 117 करोड़ है। जहां शुद्ध प्रोफिट 65 करोड़ का है।

2022 हमारे दृष्टिकोण से बहुत अच्छा साल रहा और हमने हर एरिया में बहुत अच्छा कार्य करने की कोशिश की। हम एक्सपोर्ट में भी अच्छा करने जा रहे हैं और हमारा मानना है कि आने वाले समय में शक्ति पम्प एक्सपोर्ट में भी बहुत अच्छा कार्य करेगी।

शक्ति R&D का प्रतीक है, शक्ति विचारों का प्रतीक है, शक्ति क्षमताओं का प्रतीक है। शक्ति अपनी क्षमता और ताकत के साथ मजबूती से आगे बढ़ता रहेगा। मैं हमारे कर्मचारी, इंजीनियर, ऑफिसर और शक्ति की पूरी टीम और उनके योगदान की सराहना करता हूँ।

साथ ही, ग्राहकों, शेयरहोल्डर और पार्टनरों और उनका हम पर जो विश्वास है उसके लिए आभार व्यक्त करता हूँ और आने वाले वर्षों में उनसे इसी तरह के सहयोग की आशा करता रहूंगा।

धन्यवाद,

## दिनेश पाटीदार

चेयरमैन और मैनेजिंग डायरेक्टर

# Message from the Chairman

I am very happy to present to you the Annual Report of FY 2021-22 of Shakti Pumps (India) Ltd.

This year has been exceptionally good for us, since this year we have received two patents, one for Unidirectional Solar Pump and the other for S4RM. There are many benefits of these products. The Unidirectional Solar Pump is a grid connected solar pump which saves both water and electricity. Keeping in mind demand-supply, our R&D team has considered the high requirement of customers for saving water and electricity and developed the required technology which has got the patent. Through S4RM technology, we can improve motor efficiency. Our target was to reduce the electricity bill of our customers and our R&D team has done good work to achieve this and we have received our second patent for energy efficiency. We faced another challenge of the losses faced by the power companies and we wanted to reduce it. We worked on power factor improvement, developed a great technology and received patent for it.

## Dear Shareholders,

This year has been transformational for the world – in which we fought against the COVID-19 virus as well as the conflicts between nations. This international geo-political challenge made it difficult for us to sell as well as we did not have any control on the rates of raw material. Despite this situation, Shakti has been able to perform quite well in this year. Looking at the world economy, it will take some more time to get into the normal situation. The teams of R&D and production at Shakti have faced these challenges bravely and changed them into opportunities.

I took over the business from my father around the 1980s and started working under his guidance. It was



# Message from the Chairman

**Today, we have established our markets in various states i.e. Rajasthan, Punjab, Haryana, Madhya Pradesh, Chhattisgarh and Maharashtra and there is high demand for solar pumps from these regions. The rural areas from these states have high demand and acceptability for all our products. The solar pumps manufactured by Shakti have a 30% higher discharge rate compared to other pumps, hence the high demand**

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his dream to start manufacturing stainless steel pumps and we started working on it and progressed. After manufacturing steel pumps, we realised this is an energy efficient product, which reduced the electricity bill of our customer and stainless steel also increases the life of the pump. With this began a new chapter, and we went ahead on this path. Our R&D team has taken a lot of efforts and this has finally led us to receiving our patents and I am sure going ahead, we will receive many more patents. As you know, Shakti is the first company in India to develop stainless steel and energy efficient pumps as well as the first company to receive 5-star rating. This

then led to the manufacture of solar pumps, because energy efficiency is maximum in solar pumps. We have a market share of 30% to 35% market share in this segment and going ahead, we are all set to maintain the share.

Today, we have established our markets in various states i.e. Rajasthan, Punjab, Haryana, Madhya Pradesh, Chhattisgarh and Maharashtra and there is high demand for solar pumps from these regions. The rural areas from these states have high demand and acceptability for all our products. The solar pumps manufactured by Shakti have a 30% higher discharge rate compared to other pumps, hence the high demand.

Going ahead, we would be focussing on four wheelers and six wheelers also, since our R&D team has the experience of manufacturing motors.

We have filed the patent for S4RM in USA, which has been a challenging task for us. We have spent lot of time and efforts for this, which has resulted into our success today. Apart from our two patents, we have filed for 27 more patents, the results of which are awaited. The new subsidiaries in USA and Dubai have also put great efforts, especially Shakti Energy Solution which is working on the solar structure. Recently, we have started Shakti Green, which in the next two to three years, will start the production of motors

and controllers for electric two wheelers, three wheelers, four wheelers and six wheelers.

The company has always progressed based on the R&D work done and the new technologies developed. The products of Shakti have also been most suitable amongst our customers and will remain so in the future as well. Our products are for the next generation; they are energy efficient as well as environmental-friendly.

Shakti is also fulfilling its social responsibility; we are doing our planning for CSR very well. We have also worked during the covid pandemic and are willing to work for health and education in the future as well.

## The Future of Pumps

Our R&D team has always been working on improving the energy efficiency of the products and we get to learn a lot from the research that we do and our R&D team always tries to improve and get the best possible result. We have given a target to our R&D team to make the world's best product at Shakti. The farmers have appreciated our solar pumps, and this motivates us to improve our productivity and profitability in the near future.

The solar pumps manufactured by Shakti is a good solution to the farmers. Solar energy is freely available everywhere and we don't need wires, poles, lines, diesel and transportation,

thereby reducing costs and making it environment friendly. This is beneficial for our customers, farmers and the country at large, and according to the current scenario, if more solar pumps are installed in the country, the economic situation of the country will become better. Shakti Pumps will continue to achieve higher market share in its industry. PM KUSUM scheme will also be highly impactful on the sector in the years to come. We would like to partner with PM KUSUM scheme and grow along with it.

The entire team of Shakti is dedicatedly working towards energy efficiency and solar energy, because we believe that this is the only way to improve social conditions and preserve the environment. We will work towards this goal with great strength.

We always work on sustainable programmes, while strengthening the solar pump market in rural areas as well as international markets. We will progress step by step with the government, coordinating with their policies, because we believe this is our underlying responsibility.

### Financial Performance

Supported by a steady growth the company has registered a revenue growth of 27% y-o-y basis, at ₹ 1,185 Cr. EBITDA stood at ₹ 117 Cr. The net profit stood at ₹ 65 Cr.

FY2022 has been a good year for Shakti from our point of view and we tried our best in every area. We believe that we will do our best in exports also in the near future.

Shakti is the symbol of R&D, Shakti is the symbol of thoughts, Shakti is the symbol of capacity. With its thoughts and capacity, Shakti is marching ahead.

I extend my appreciation towards the workers, engineers, officers and the entire team of Shakti for their contribution. Also, I am in gratitude to our customers, shareholders and partners and all those who believe in us, and hope to get the same kind of support in the coming years as well.

Thank you.

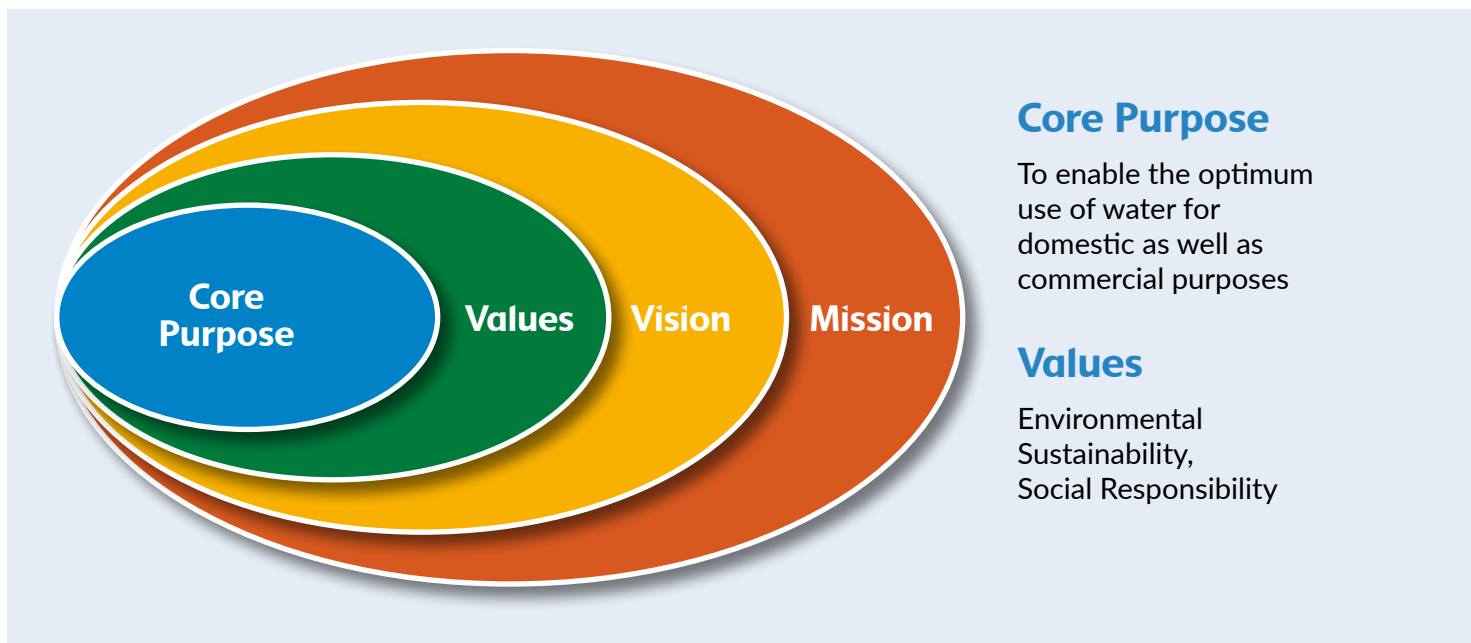
Warm regards,

**Dinesh Patidar**  
Chairman & Managing Director

**We always work on sustainable programmes, while strengthening the solar pump market in rural areas as well as international markets. We will progress step by step with the government, coordinating with their policies, because we believe this is our underlying responsibility.**

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# Business Model



## Demand Drivers:

- Thriving agricultural and irrigation sector in India
  - Government policies and regulations towards energy efficiency and promotion of agricultural sector like subsidized electricity and exemptions on use of solar pumps
  - PM's relentless support for solar power usage through Pradhan Mantri - Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM Kusum) scheme, thus driving the demand for solar pumps
  - Rapid growth of population and urbanisation calls for an exponential increase in demand for water to be supplied to high rise buildings, both domestic and commercial
  - Cognizance of the need for better sanitation
  - Awareness of the need for potable drinking water and the emphasis on recycling of water
  - Fast paced growth of many manufacturing sectors that entail the usage of pumps
- India has third largest regional market for water pumps after MEA and China and fastest growing region with an estimated CAGR of over 10% during 2017-27



## Vision

To become a company that constantly strives for quality and customer satisfaction by providing best pumping solutions with global benchmarks and to be a company which integrates Health, Safety and Environmental considerations into all its business decisions and activities, such there will be

- Zero accident
- Zero liquid discharge
- Zero carbon foot print

## Mission

- To work relentlessly towards coming closer to our vision statement by offering best working environment and training focusing on integrity and ethics
- To empower the workforce to offer products and services that exceeds customer expectations by providing value for money and ensure handsome return to our employees and shareholders
- To create a safe workplace by reducing injuries, accidents and environmental impact for current and future generations

## Value Chain:

Shakti creates a robust value chain by using valuable resources from the point of sourcing through the process of manufacturing to the point sale, creating opportunities for OEMs, suppliers, dealers amongst all others throughout the chain.

The raw materials required for the manufacturing of products are either sourced domestically or imported, the decision of which is prudentially taken, based on Cost Benefit Analysis.

The products are available in the market through an extensive dealership and distributor network, comprising of 500+ dealers.

The company also extends after sales service for all the products, with a network of 400+ service centres spread across the country.

**500+**  
Dealers

**400+**  
Service Centres

# How We Create Value

## Product Advantages

Pumps form the quintessence in the water infrastructure of a country. Use of sustainable pumping solutions can bring about a massive reduction in energy consumption, thus saving huge amounts of operational and maintenance costs.

In the context of industries, pumps are used to provide multiple services viz. cooling and lubrication services, to transfer fluids for processing, and to provide the motive force in hydraulic systems to name a few, apart from the need of pumps for day-to-day operations. In the manufacturing sector, pumps utilize 27% of the total electricity. Solar pumps also bring about enormous saving in expenditure on electricity. Efficient pumps can also bring down maintenance and operations cost of companies.

In the commercial sector, pumps are used in heating, ventilation, and air-conditioning (HVAC) systems to provide water for heat transfer. Local government bodies use pumps for water and wastewater transfer and treatment and for the drainage system. For nuclear power sector, oil and gas, pharmaceuticals and chemical industry, pumps play a critical role and form the basis of their existence. They modulate the flow of the liquids, gases and slurries that is the lifeline of these industries.



## Environmental, Social & Governance

India's self-sufficiency in food today, can more or less be attributed to the pumping sector as well. Being ancillary to one of the most important sectors of our country – agriculture – the pump sector has tremendous value in terms of support to the backbone of India.

From the perspective of infrastructure, building and construction and utilities sector, the role of the sector cannot be undermined. Water supply projects for both domestic and industrial use are incomplete without pumps.

Pumps are also essential in waste water treatment and recycling of water, thus playing a critical part in environmental preservation, lessening impact of water wastage.

Leak free pumps help in controlling leakage of harsh chemicals, reducing the effects on environment.

Sustainable pumping solutions also lessen energy consumption; energy efficient pumps help fight climate change.

The Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure that highest ethical and responsible standards are being practiced by the Company.



₹ **1,185** Crore  
FY22 Revenue

₹ **65** Crore  
Net Profit

₹ **35.26**  
EPS

₹ **22** Crore  
Tax Paid

₹ **73** Lakhs  
CSR Spent



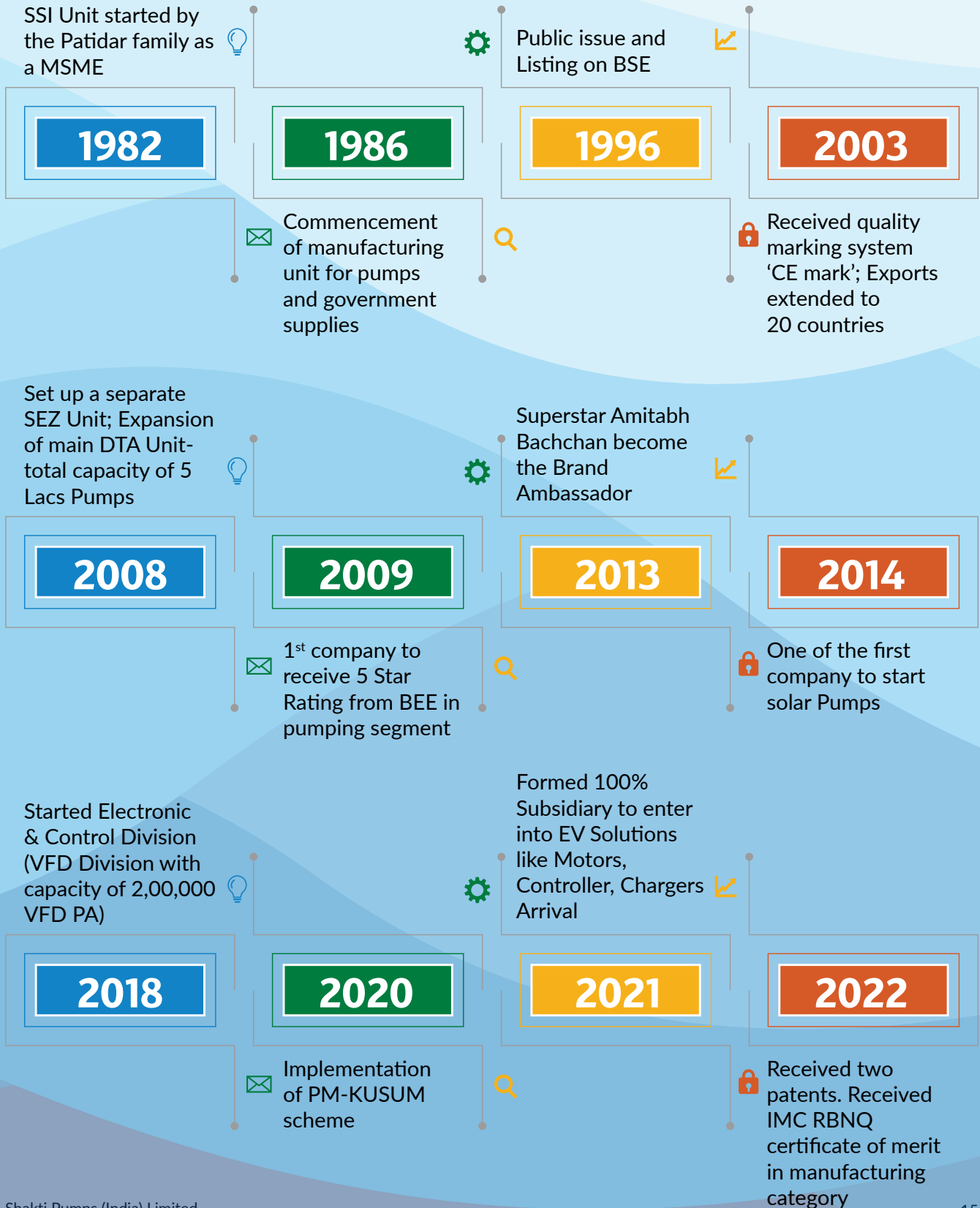


# Key Highlights of the Year

- **August 2021** – Received award from Punjab government for PM Kusum scheme
- **September 2021** – Awarded by Uganda Government to supply and EPC of solar pumps worth ₹ 250 million
- **September 2021** – Installed solar pump at Mizoram, making it India's north-eastern region's first-ever high-altitude solar project
- **December 2021** – Shakti Pumps forays into manufacture of motors, chargers and controllers for Electric Vehicles through a wholly owned subsidiary, Shakti Green
- **March 2022** – Awarded for the Innovation of Micro Smart Pump at the Low Carbon Technology Innovation Conclave in New Delhi
- **April 2022** – Received its maiden patent for innovating 'A Unidirectional Solar Water Pump with Grid-tied Power Generation' System
- **August 2022** – Received the second patent for Shakti Slip Start Synchronous Run motor. The company received this patent from the United States Patent and Trademark Office



# Milestones



# Review of Business

The company's product portfolio largely caters for applications like agriculture, irrigation, industrial applications and processes, pressure boosting in high rise buildings, rural/urban community water supply schemes, waste and sewage water treatments and fire-fighting.

## Customer Segments

- **Solar Power** - Channel partner with MNRE with top notch 1A ratings, pumps ranging from 0.5 HP to 300 HP that are simple to operate with remote monitoring system.
- **Agriculture** - Irrigation pumps, solar pumping solutions, sprinkler system with pumps.
- **Commercial** - Used in hotels, corporates, malls, high rises buildings, commercial premises where heavy pressure and boosting is required
- **Domestic** - For domestic needs of bungalows, high-rise buildings, housing complexes and apartment, for tasks like water supply, over tank storage watering, gardens and fountains.
- **Industrial** - In industries for variety of purposes like fire-fighting, sewage, heating & cooling of systems, washing and storage.

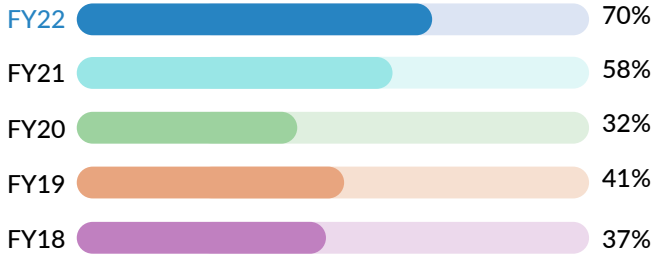
- **Sewage and Drainage** - Wide range of requirements from draining flood water from various areas like basements, car parks, empty cesspools to managing sewage in a water treatment plant.



Since pumps serve such diverse sectors with varied needs, their size ranges from fractions of a horsepower (HP) to several thousand HP.

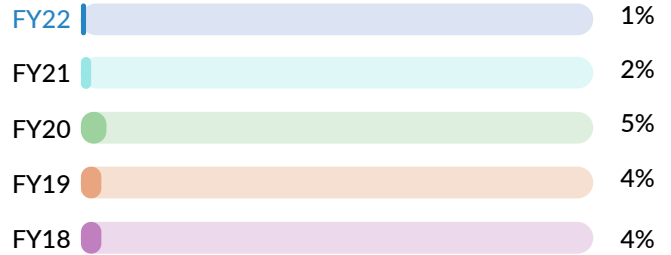
# Diverse Industries

## Customers under Government Projects



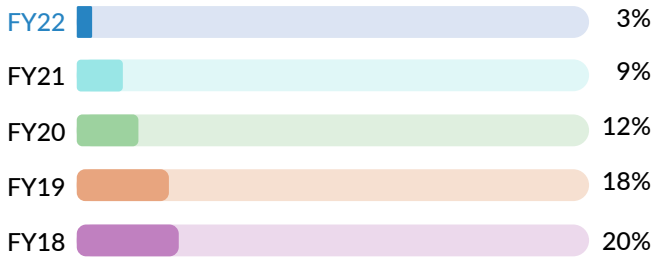
Highest revenue share with 70%, reported 50.5% CAGR during 2018-22 period

## Industrial Customers



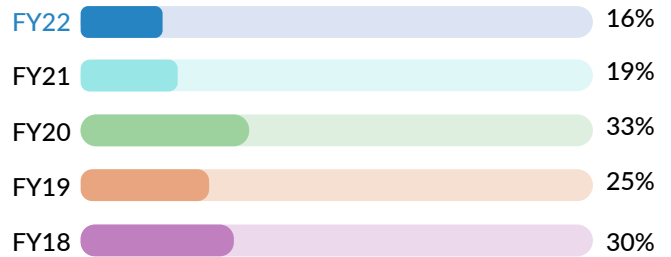
Industries with 1.3% share has reported a degrowth by 4.9%

## OEM Customers



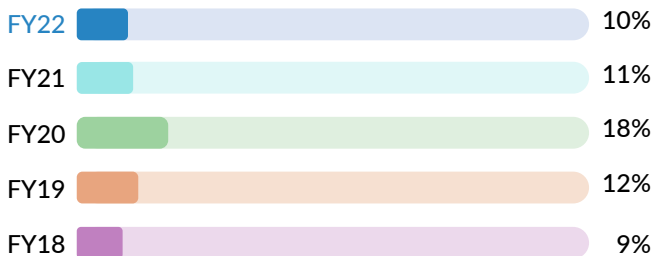
Dealing with major Solar OEM (L&T, Mahindra, REIL, Adani and Tata Power) has 2.6% share, degrow by 22.2% CAGR

## Export Customers



2nd largest revenue segment with 15.7% share, CAGR 9.2% during 2018-22

## Other Customers



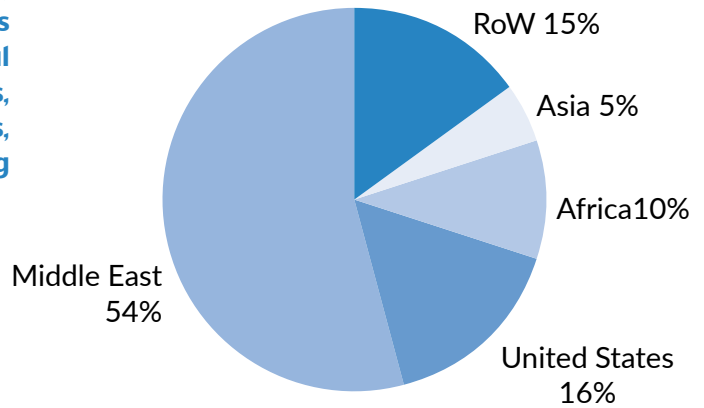
Contributed 10.2% revenue with CAGR of 30.5% includes residential (B2C) segment



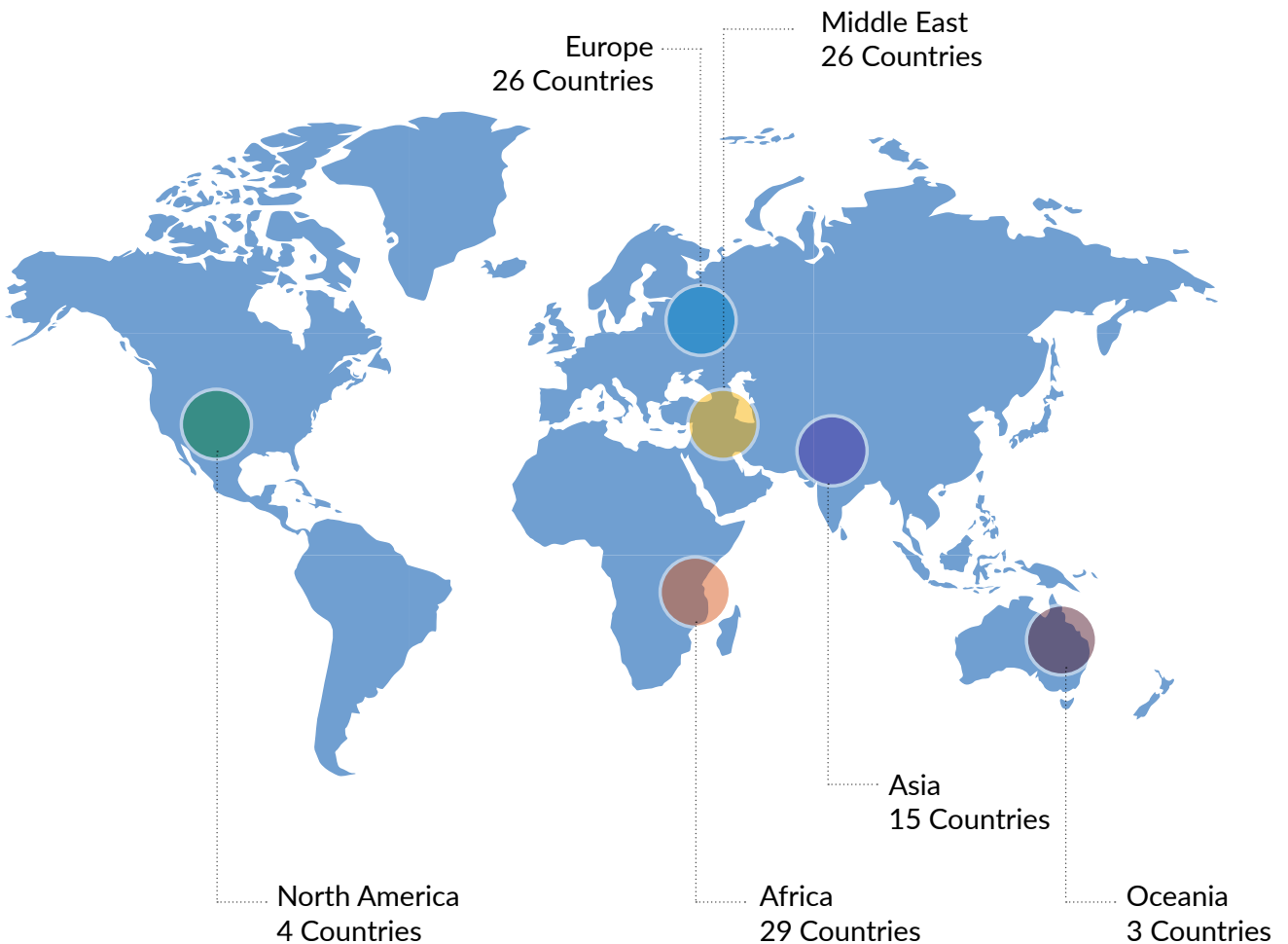
# Shakti's Global Business

Shakti is one of the country's leading pump exporters, supplying to more than 100 countries, with a portfolio largely catering to applications relating to agriculture, irrigation, industrial processes, pressure boosting in high-rise buildings, rural/urban community water supply schemes, waste and sewage treatment plants, fire-fighting operations to name a few.

Export Revenue – Geographical contribution



₹ **185** Crore  
FY22 Export Revenue



# Financial Highlights (Consolidated)

REVENUE	(₹ in Crore)	EBITDA	(₹ in Crore)
FY22	1,178	FY22	110
FY21	930	FY21	141
FY20	383	FY20	11
FY19	547	FY19	88
FY18	437	FY18	78

PBT	(₹ in Crore)	PAT	(₹ in Crore)
FY22	82	FY22	65
FY21	110	FY21	76
FY20	(22)	FY20	(14)
FY19	60	FY19	55
FY18	53	FY18	35

EPS	(₹)	NET WORTH	(₹ in Crore)
FY22	35.3	FY22	393
FY21	41.1	FY21	341
FY20	(7.7)	FY20	265
FY19	24.5	FY19	290
FY18	19.0	FY18	254

# Manufactured Capital - Products



V3, V4, V6, V8, V10  
REWINDABLE  
SUBMERSIBLE MOTORS



V3, V4, V6, V8, V9, V10 & V12  
SS SUBMERSIBLE PUMPS



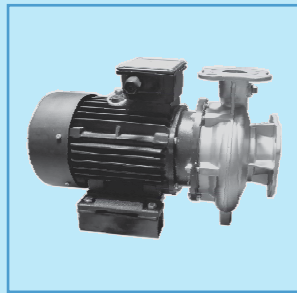
OPENWELL PUMPS  
SHOS CA / SA Series / ECO



OPENWELL PUMPS  
SOMB Series



MONOBLOCK & END  
SUCTION  
PUMPS SNB, SNK SERIES



MONOBLOCK END-SUCTION  
SINGLE SHAFT PUMPS  
SMB SERIES



HORIZONTAL OPENWELL  
SUBMERSIBLE PUMPS  
SHOC SERIES



VERTICAL MULTISTAGE  
CENTRIFUGAL PUMPS  
SCR, SCRI, SCRN SERIES



HYDROPNEUMATIC  
BOOSTER  
SYSTEMS HYPN Series



SEWAGE PUMPS (SVX Series)



SEWAGE PUMPS (SDW Series)



SHAKTI WASTE WATER  
PUMPS  
SSEG Series



MONOBLOCK PUMPS  
SSM Series



SELF-PRIMING PUMPS  
CRP Series



SINGLE SHAFT VERTICAL  
MULTISTAGE PUMPS (RO  
Series)



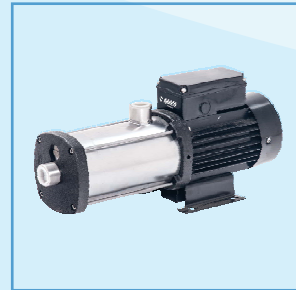
IMMERSIBLE PUMPS  
SMTR Series



PRESSURE BOOSTER PUMPS  
SH Series



DOMESTIC WATER PRESSURE  
BOOSTER PUMPS  
SJP Series



PRESSURE BOOSTER PUMPS  
SCM Series



SRSC Series  
SRSS Series  
RAPID SUCTION  
SRSC / SRSS Series



SHALLOW WELL PUMPS  
SSW Series



SIMHA 2.0 UNIVERSAL DRIVE



NANDI UNIVERSAL DRIVE



KALPAVRIKSHA HYBRID  
INVERTER



KALPAVRIKSHA GRID  
TIE INVERTER



KALPAVRIKSHA (USPC)  
UNIVERSAL SOLAR PUMP  
CONTROLLER



SUN SHAKTI  
HYBRID INVERTER



SUN SHAKTI  
GRID TIE INVERTER



ELITE SOFT STARTER



A1 SMART STARTER



DU DT FILTER



SHAKTI RMS DONGLE



# Manufactured Capital

## Domestic Unit (Main Unit)

The second manufacturing unit of Shakti is also situated in Sector III of the Pithampur Industrial Area in Madhya Pradesh, but this setup consists of different plants that are able to meet the specific market needs of different product groups. There is also an inhouse high tech R&D unit here.

Area

**16** Acres

Capacity

**350,000** Pumps per annum

### 4" Motor Manufacturing Plant

This particular plant is exclusively used for the manufacturing of 4" submersible motors. It is equipped with state-of-the-art manufacturing equipment to ensure every submersible 4" motor produced is of the highest quality.

### 6", 8" and 10" Motor Manufacturing Plant

This plant is focused on the manufacturing of 6", 8" and 10" submersible motors for pumps of corresponding sizes. State-of-the-art manufacturing equipment ensures that Shakti can compete on a global scale with respect to these products in the most advanced way.

### Submersible Pump Manufacturing Unit

This unit is used solely to produce 100% stainless steel submersible pumps in various sizes for use in the domestic market. Technologically advanced assembly lines and equipment are a characteristic of this unit and helps meet the constantly changing demands of the domestic market.

### Industrial Pumps Manufacturing Unit

The plant in Unit III development produces pumps for various industrial applications, including vertical, multi-stage, centrifugal pumps, pressure booster pumps, hydro systems, self-priming pumps, open well pumps, end solution pumps, sewage and effluent water pumps, boiler feed application pumps and

pumps for use in firefighting, among others. This unit is also able to meet constantly changing market demands in a rapid turnaround time, due to the use of cutting-edge technology and the specialised workforce in the unit.

Shakti always strives for an improvement in its operations and its international ranking. To meet this requirement, the company has installed a computerised testing facility to measure the performance of the pumps produced and compare them to the international market.

The existing two manufacturing plants in Pithampur (SEZ and Domestic), along with an expansion of the domestic tariff area (DTA) unit has resulted in the company having a combined installed capacity (solar and motorised) of 5 lakh pumps per annum.



# Manufactured Capital

Shakti has a unique infrastructure in place which allows the company to meet ever changing market demands in India as well as abroad while focusing on quality. The specialised set-ups consisting of its diverse capabilities allows the company to accurately allocate work to specific units, ensuring production timeframes and quality control.

## SEZ Unit:

A manufacturing facility has been setup in the Pithampur special economic zone (SEZ) in Madhya Pradesh in 2008. This unit is engaged in the production of 100% stainless steel submersible pumps, and is exported all over the world, in sync with the international market requirements. The unit has an advanced modern plant and various pieces of high-tech machinery, meeting international standards of production and quality. Highly personalised products based on the demand coming from various geographies are manufactured in this unit, simultaneously ensuring global customer satisfaction.

Area

**3.15** Acres

Capacity

**150,000** Pumps per annum



# Manufactured Capital

## Electronics and Control Plant (E&C Plant)

The E&C unit is a part of the main domestic unit. It is based on Japanese technology, supplying power electronics outside the company as well.

Capacity

**200,000** VFDs per annum

### Manufacturing Facilities

The E&C Plant is equipped with state-of-the-art machinery and skilled manpower to provide reliable and quality products.

### SMT Assembly

The plant has the capability to place components ranging from 0402 (01005) package size components to the larger SMT packages with absolute precision, matching IPC-A-610 standards. With the high level of placement accuracy and solder joint integrity, the best quality is consistently achieved. With two modern SMT lines, Shakti can place up to 99,000 placements per hour and are fully equipped to undertake PCB batches from low to high quantities.

### Through-Hole Component Assembly (THT)

Traditional leaded through-hole components can be either flow soldered or fitted by our dedicated, highly skilled assembly team. This approach offers a robust, high-precision expedient assembly solution. With their wealth of training to the highest IPC-610 standards, Shakti's staff can offer a level of soldering ability that sets us apart from the competition.

### Encapsulation & Conformal Coating

Our conformal coating material is a thin polymeric film that 'conforms to the contours of a printed circuit board to protect the board's components. Typically applied at 10-210µm (micrometers), it is applied to electronic circuitry to act as protection against moisture, dust, chemicals and temperature extremes.

### PCB Functional Test

The E&C Plant has a highly skilled team of test engineers and technicians as well as a large range of testing equipment, bench, and functional test equipment. Our staff undergoes cross-product training and have a huge range of experience within the field of electronics test. Customers can have the confidence that the product has been fully tested to their specifications.



# Manufactured Capital - Solar Pumps

A solar-powered pump is a pump running on solar energy generated by photovoltaic panels or the radiated thermal energy available from collected sunlight as opposed to grid electricity or diesel run water pumps. Solar water pumps utilise solar panels to feed extra power to the grid, thus ensuring efficient use of water and electricity.

Solar powered pumps are more economical mainly due to lower operation and maintenance costs and has less environmental impact than pumps powered by an Internal Combustion Engine (ICE). On-grid or Off-Grid Solar Pumps are useful in both scenarios where there is grid power supply and no grid.



# Few Cutting Edge Products of Shakti

## Plug and Play Submersible Pumps

The 4-inch Plug and Play Submersible Pumps, designed and manufactured by Shakti achieves higher efficiency with lower operational cost and can be operated without a control box. The Pumps' 2-Wire Motor is an integral wire motor that offers customers ease of operation and protection against overload and under-voltage operations. The 4-inch plug and play submersible pump is designed to work with the range of 1HP, 1.5HP, 2HP and 3HP. This product has been built for 100 mm (4 inches) or larger borewells with cooling jacket; the series motors used in the 4-inch plug and play submersible pumps are pre-loaded, pre-tested and come with a free cable.

## Kalpavriksha Universal Solar Pump Controller

Kalpavriksha Universal Solar Pump Controller (KUSPC), a device that enables maximum utilisation of solar power. Apart from water pumping, the Universal Solar Pump Controller is also useful in solar powered flour mill, thresher and fodder cutting machine set. This product can be easily controlled even from remote location using mobile app or website.

An IP65 rated product, that is both dust and rain proof, KUSPC can be easily installed outdoors and also offers a graphical display for product selection, supports a variety of solar pumps, offers agrarian application support and remote monitoring using an App or the Portal to the modern farmer.

## Universal Solar Pump Controller (USPC)

For availing the off-grid solar pump scheme, it is mandatory that the farmer should not have any electrical connection. In this scheme, the farmer can operate other machines or equipments like flour mill, freezer or grass cutter through our product. The farmers can have single-phase connection and single-phase instrument. After adding Universal Solar Pump Controller (USPC),

many more activities apart from water pumping can be conducted like charging of Electric Vehicle, charging of other invertors or batteries as well as domestic usage, thus relieving the farmer of the need to demand electricity

## Sun Shakti Grid-tie Invertor

Sun Shakti Grid-tie Invertor is a high performance, transformer-less, high switching frequency-based grid-tie invertor with IP 65 ingress protection available in 3 to 6 kVA. It converts solar energy into alternating current. This makes it extremely suitable for injecting into single-phase low voltage electrical power grid. It works on the principle of net metering thereby reducing the electricity bill. This invertor also provides battery charging facility, so that the stored energy can be used for domestic purposes

## Kalpavriksha Hybrid Controller

The Kalpavriksha Hybrid Controller is a hybrid pumping solution designed for maximum utilisation of solar power available at the site. It offers solar-powered variable frequency drive and a grid-tied invertor. It helps a farmer run a pump for agriculture, feed surplus power to the grid (when he is not farming) and draw rated power from the grid if required. Features like a plug and play installation, simultaneous operation of VFD & Invertor and electrically safe user handling make it a simple equipment to use.

## Manufacturing parts for EVs

Shakti has ventured into manufacturing of motors, chargers, controllers and multi-application component variable frequency drives (VFDs) for electric vehicles, through a wholly owned subsidiary "Shakti Green".

## Sun flower (Automatic Structure)

A recently developed product by Shakti, called Automatic Structure, exhibits inherent rotational property where the panel can rotate as per sun's direction, thereby generating more than 30% extra power.

# Awards

 <p><b>FIRST PATENT</b> Company received its FIRST PATENT CERTIFICATE for "A Unidirectional Solar Water Pump with Grid-Tied Power Generation".</p>	 <p><b>BEST EMPLOYER BRND AWARD MP, 2019</b> Shakti Pumps was awarded by Madhya Pradesh Solar Energy Leadership 2019</p>	 <p><b>MP LEADERSHIP 2019</b> Shakti Pumps was awarded by Madhya Pradesh Solar Energy Leadership 2019</p>
 <p><b>CII, 2019</b> Shakti Pumps was awarded innovative energy saving product 2019.</p>	 <p><b>IMP, 2019</b> Shakti Pumps was awarded India's most preferred solar energy brand 2019.</p>	 <p><b>BEE-GEF-UNIDO 2018</b> Shakti Pumps was winner of 2018 Innovation Challenge by BEE-GEF-UNIDO</p>
 <p><b>EEPC INDIA, 2017</b> Shakti Pumps was awarded by Star Performer.</p>	 <p><b>VEICHI, 2016</b> Shakti Pumps was awarded best strategic partner award 2016.</p>	 <p><b>ECGC-DUN &amp; BRADSTREET AWARD, 2015</b> Shakti Pumps bags ECGC - Dun &amp; Bradstreet Award for Best Focus Product Exporter.</p>
 <p><b>EEPC INDIA AWARD, 2015</b> Shakti Pumps bags EEPC INDIA Award for outstanding export performance (Western region)</p>	 <p><b>ITF, 2015</b> Shakti Pumps was awarded best display in India International Trade Fair, 2015.</p>	 <p><b>EEPC AWARD, 2014</b> Shakti Pumps bags Special Contribution Award by EEPC (Engineering Export Promotion Council, under ECGC, Government of India) in Large Enterprise Category Product Group - "Highest Exporter in Thrust Markets for Thrust Products"</p>
 <p><b>EXCELLENCE IN THE FIELD OF INDUSTRY, 2014</b> Shakti Pumps was awarded the trophy for excellence in the field of industry at the 6th anniversary celebrations of Uday India National Conclave at New Delhi.</p>	 <p><b>INDIAN POWERBRAND AT GLAM ME AWARD, 2013</b> Shakti Pumps was awarded the INDIAN POWERBRAND at the famous glam Me Awards at Las Vegas in the USA.</p>	 <p><b>BEST SEZ EXPORTER AWARD, 2012</b> Shakti Pumps was awarded the best SEZ Exporter award 2012 by ECGC-Government of India.</p>
 <p><b>INDIAN EXPORTERS' EXCELLENCE AWARD, 2012</b> Shakti Pumps was honoured with the Indian Excellence Exporters' Awards by ECGC-D&amp;B.</p>	 <p><b>EPC OUTSTANDING COMPANY AWARD, 2012</b> Shakti Pumps was honoured with EPC's Outstanding Pump Company award by EPC World Media.</p>	 <p><b>IMC RAMKRISHNA BAJAJ NATIONAL QUALITY AWARD, 2021</b></p>

# Intellectual Capital

Shakti Pumps was the first to manufacture India's first ever 100% stainless-steel pumps & energy efficient motors in the year 1996. It was also awarded India's first 5-star ratings by the Bureau of Energy Efficiency (BEE) and today has over 260, BEE-5Star' rated pump models. With 29 patent applications, of which two patents were recently granted, Shakti Pumps has emerged as a leading renewable energy solutions company with diversified product offerings including technologically advanced utility functions.

## Patents Received

### Unidirectional Solar Water Pump (USWP):

The company got the maiden patent for a unidirectional solar pump with grid-tied power generation capabilities. The unidirectional solar pump ensures efficient performance by utilizing the panels to help feed extra power to the grid. This technology allows limiting the pumps discharge as per the water needed and help save both water and electricity.

**Shakti Slip Start Synchronous Run Motor (S4RM):** Stepping into FY23 the company received the second patent for Shakti Slip Start Synchronous Run motor. The company received this patent from the United States Patent and Trademark Office.

The product is one of its kind and has a breakthrough retrofit super efficient motor technology, duly available in both surface and submergible categories. The patented motor is 5 to 10% higher efficient and has up to 15 percentage of power factor than a conventional induction motor. Therefore the product offers a reduced carbon footprint compared to a line-run induction motor. This will help customers in reduced electricity bills and timely help in dropping the losses of power distribution companies.

**The two patents through the In house research and development are strong testimonials for the company's unique intellectual capabilities**

## Research and Development

Shakti has a dedicated R&D department for the development of innovative products with new materials, applications and processes. Ground-breaking strategies have helped the company receive a patent for the solar pumps category.

For the in-house R&D, we have been issued a certificate in Science and Technology, from the Government of India.



# Intellectual Capital - Certifications

UL Certificate



North American  
Component  
Certified



Certificate of  
Compliance



European  
Conformity  
Certified



ISO  
Certifications



ISI Mark  
Certification



India's First  
5 star rated pumps



Star Export  
House Certificate





# Intellectual Capital - IT & Digital

Distributing water on a large scale sustainably has been a challenge that the world has been trying to tackle for decades. Technological innovations in the water pump manufacturing industry made it possible to deal with the issue and IT and digitalisation is playing a vital role.

At Shakti, the IT infrastructure is not an end by itself, but means to reduce supply chain glitches, greater efficiencies, higher productivity, thereby causing higher sales and higher profitability.

Shakti has been agile to adapt to digital transformation, triggered by the aim to conserve energy as well as to meet the growing demand to operate pumps with greater efficiencies which includes remote controlled operations.

## Enterprise Resource Planning (ERP)

Apart from the application, the company also has an ERP system – SAP S/4 Hana – for Operations, Procurement, Product design/Manufacturing and Human Resource.

The company has also moved onto cloud platform for cyber security and data protection.

Shakti, with the help of IoT, data analysis and network connectivity, resorts to capturing live data, thereby being able to offer excellent after sales service and remotely assists in prompt fault detection and elimination, which is of immense support to the farmers.

## Social Media

The Social Media initiatives taken by Shakti are for the purposes of marketing/branding as well as for disseminating explanatory videos on installation and important technical advantages.



## Shakti Pump Customer Application (Shakti RMS)

One of the digital initiatives taken by Shakti for connecting with customers is Shakti Pump Customer Application called Shakti RMS. It is a remote monitoring application used for operating solar pump and viewing data. The app provides IoT platform to devices manufactured by the company.

The customer can start and stop the pump remotely, from anywhere in India with a single click through the app, thus controlling water flow.

By clicking on the respective icons, the app also gives information about

- The solar pump motor and solar panel
- Total cumulative flow of water and total flow of water on a particular day
- Total cumulative running time and total running time of a particular day
- Total cumulative solar energy consumed and total solar energy consumed during a particular day
- The power/voltage being used

The app is GPS enabled, which enables the customer to know the location of the solar panel, from a remote place as well.

Another feature of the app is Multi-Device Installation, implying that the details of the same solar pump can be sought by multiple people on different devices at the same time.

Shakti, through this app, is not only helping the mission 'Transform India Digitally', but also enabling conservation of one of the fastest depleting natural resources – water.



## Micro Smart Pump under the Low Carbon Technology Deployment (FLCTD) project

Micro Smart Pump is a highly efficient submersible helical pump solution, an innovation by Shakti which was created under the Facility for Low Carbon Technology Deployment (FLCTD) project. FLCTD has been jointly implemented by the Bureau of Energy Efficiency (BEE) and the United Nations Industrial Development Organization (UNIDO). The main aim of the project is to promote innovation of low-carbon technologies and its deployment in industrial and other related sectors. In March 2022, Shakti received a grant of ₹ 35 lacs for the Micro Smart Pump, which is a PMSM - based submersible helical pump running from single-phase AC.

It is presently installed at 15 sites in Indore, 1 in Shahdol and 1 in Hyderabad. The product enables an increase in efficiency ranging from 200% to 500% vs conventional single - phase IM, energy - efficient pumping irrespective of seasonal head variation, SMPS - based pump 90V to 270V operations comes with in-built protection and does not require an external control panel.

# Environmental Capital

## Pumping Sustainability into our Future

Pumping industry is at the heart of both agriculture and industrial sectors. The connection between environment and pump energy efficiency is deep and influential. There is empirical evidence that a pump operating at less than 20% of its efficiency point utilizes 40% more energy and produces 20% more CO<sub>2</sub>, to dispense the same volume of water.

Energy efficiency in the pump industry relates to sustainable future through use of products that consume minimal or no non-renewable energy.

## Shakti's Approach to Environment

### Environment Mission Statement

To become a company that constantly strives for quality and customer satisfaction by manufacturing best pumping solutions with global benchmarks and to be a company which integrates Health, Safety and Environmental considerations into all its business decisions and activities.

## Incorporation in Business Strategy

The business processes within Shakti are such that, there are

- Zero accident
- Zero liquid discharge
- Zero carbon foot print

It is a matter of pride to say the company has shown zero non-compliance with regards to adherence to environmental norms.

Both the units at Pithampur, Madhya Pradesh are covered under the company's environment initiatives, and both are ISO 14001 certified units.

The company has an in-house nursery and as a part of tree plantation drive, plants approximately 200 plants per year.

Rainwater harvesting is a technique of collection and storage of rainwater into natural reservoirs or tanks, with an attempt to collect and make use of every drop of water which falls in the premises. There are two such rainwater harvesting pits maintained by the company.



Industrial Waste i.e. Food Waste generated during the year was 5739kg (Including Vegetable waste like, peels/shells etc.)

Total amount of water consumed in FY 2022 was 1,52,93,000 liters (15,293 KL) AKVN water, out of which 6,169 KL water treated in effluent/sewage treatment plant and 100% of this treated water is used in toilet flushing and gardening.

## Integrated Management Systems Policy

The company is committed to achieve total customer satisfaction by, manufacturing high quality pump set with global bench mark meeting customer expectations, providing timely supply and excellent services to our customers through team work and continual improvement. We are also committed to the environment protection, cleanliness, health, safety and welfare of our employees, and meeting expectations of other interested parties including the society.

The company strives to maintain high degree of goodwill and brand image to emerge as a market leader in domestic as well as in international market.

The company endeavours to follow the under mentioned policies, applicable to all existing and future activities in India and abroad.

- Act within the framework of an Integrated Management System which consists of ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environment Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems.
- Manufacture high quality products, prevent pollution and injury or ill health and seek improvement in the efficient use of natural resources.
- Adhere to all applicable statutory or regulatory and other requirements related to product, environment, health, safety and employee welfare.
- Adopt risk-based thinking approach to quality, environment and health and safety issues, to act proactively to achieve intended objectives.

- Engage itself in the steady improvement in its quality, environment, health, safety, cleanliness and social performance and we shall motivate our self as well as our employees to achieve this goal.
- Commit consultation and participation of workers and where they exist, workers' representatives, on health and safety matters
- Engage in ongoing training & motivation of its employees to pay attention to product quality, health, safety, environment, cleanliness and social responsibility.
- Adopt the goals of United Nations.

Energy efficiency in pumps lead not only to sustainable future for the next generation, but also leads to sustainability in businesses, helping reduce costs and diversion of funds saved due to efficient use of resources, into better investment alternatives.

## Energy sources in FY22

MPEB UNIT CONSUMPTION

**21,86,168**

SOLAR UNIT CONSUMPTION

**5,47,102**

405 KW solar plant is installed in the company premises.

DIESEL CONSUMPTION (LIT)

**6,013**

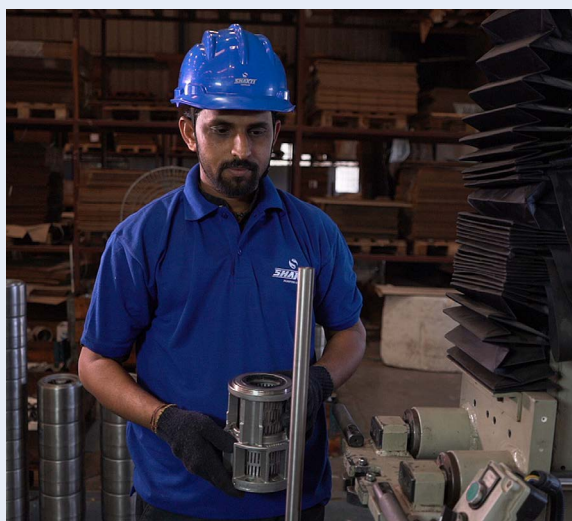
PNG CONSUMPTION (SCM)

**42,282**

# Key Drivers

## Key Differentiators/ Competitive Advantages

- In-house manufacturing of all related components of solar pump except solar panel
- High quality stainless-steel pumps, with approximately 40% more output compared to cast iron pumps
- Energy efficient products enable 30-40% less energy consumption
- Rust and corrosion free (two times more life than cast iron pumps)
- Indigenously developed Variable Frequency Drives (VFD), thus reducing dependency on imported materials
- Inbuilt remote monitoring system
- Retail demand well supported by a strong distribution network, aiding high market penetration
- New product launches in place, enabling B2C business as well
- Strong backend support, helping improve customer connectivity and service



## External Drivers

- Greater focus on agriculture in the Budget
- Government's support for solar power usage through Pradhan Mantri - Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM Kusum) scheme
- Expected rainfall received by the country
- Thriving farming sector
- Attractive subsidies from the central and state government for purchase of green pumps
- India has third largest regional market for water pumps after MEA and China and fastest growing region with an estimated CAGR of over 10% during 2017-27.

## Case for Solar Pumps

- Increasing cost of fossil fuels is responsible for alternative energy sources, thus boosting demand for solar pumps.
- Governments support towards the cause of solar pumps is the reduction in costs as compared to regular pumps (cost of infrastructure, generation, and distribution (Losses) per Kilowatt of electricity is higher than solar).
- Solar power water pumps are especially advantageous in rural areas power supply disruption for 5 to 7 hours, water pumps running on fossil fuel are not sustainable, hence demand for solar power water pumps is on a rise.

## PM KUSUM Scheme

PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan) Scheme is government's modus operandi to honour India's commitment to increase the share of installed capacity of electric power from non-fossil sources to 40% by 2030 as part of Intended Nationally Determined Contributions (INDCs).

The scheme is aimed at ensuring energy security for farmers in India, by developing decentralized renewable power, as well as, to replace agricultural diesel pumps with solar water pumps and solarise grid connected agriculture pumps. Presently, 33% of the installed agricultural pumps in India are diesel based. One-fifth of the grid-connected agriculture water pumps installed in the country consume more than 17% of the total annual electricity consumption. Solarization of the pumps can reduce the dependence on electricity in addition to the

possibility of the farmers being able to sell surplus power back to the boards enabling additional income.

**The scheme has provision for:**

- Decentralised renewable energy plants
- Solar agriculture water pumps and
- Solarisation of existing grid-connected agriculture pumps.

**The scheme has the following components:**

- Component-A: Setting up of 10,000 MW of Decentralized Ground/ Stilt Mounted Grid Connected Solar or other Renewable Energy based Power Plants;
- Component-B: Installation of 17.50 Lakh Stand-alone Solar Agriculture Pumps; and
- Component-C: Solarisation of 10 Lakh Grid Connected Agriculture Pumps.



# Materiality Matrix:

## INVESTORS

Investors consist of institutional as well as retail investors. With respect to investors, the objective of the organisation is to create long terms sustainable financial value. Investors apart from seeking RoI also expect the company they invested in to function sustainably

### Stakeholder Interests

- Financial performance
- Operational performance
- Changes in corporate governance
- Management decisions regarding policies

### Stakeholder Engagement, Mode and Frequency

- Corporate governance practices
- Information provided about financial and operational management
- Company website
- Annual general meeting
- Quarterly and annual reports
- Announcements to stock exchanges

### Basis of Evaluation of Material Management

- Management meetings
- Internal controls

## SUPPLIERS

Managing a reliable set of suppliers, building relations with them for seamless supply of inputs materials, technology and services is critical for the company to meet the customer demand.

### Stakeholder Interests

- Number of orders
- Competitive pricing
- Consistency of orders
- Timelines
- Payment methods
- Other terms and conditions of delivery

### Stakeholder Engagement, Mode and Frequency

- Supply chain policy
- Tender committee
- Logistics committee
- Print media
- Regular meetings between supplier and the committee
- Meetings of suppliers and management
- Timely payments
- Transparent processes
- Negotiations
- Measuring deliverables

### Basis of Evaluation of Material Management

- Positive feedback
- Complaints/Constructive feedback
- Credit period
- Stock out percentage
- Timely delivery
- Repeat purchase percentage

## CUSTOMERS

The Company's customer service policy is aimed at ensuring high quality pumps and timely services to its customers across the country. It is committed to achieving complete customer satisfaction with excellence in service quality and support.

### Stakeholder Interests

- Availability of products
- Quality of products
- Cost effectiveness
- Innovation in products
- Data privacy

### Stakeholder Engagement, Mode and Frequency

- Continuous monitoring based on feedback system depending on the dealer/customer segment
- Responding to feedback
- Social media
- Company's PRO
- Customer support desk
- Customer feedback system
- Customer satisfaction survey

### Basis of Evaluation of Material Management

- Positive feedback
- Complaints/Constructive feedback with regards to price and quality
- Repeat customers

## EMPLOYEES

Company considers people as the most important capital and key internal stakeholders in delivering value

### Stakeholder Interests

- Training and development
- Employee perks
- Special benefits
- Social events

### Stakeholder Engagement, Mode and Frequency

- Job security
- Rewards and recognition
- Grievance redressal
- Meetings and workshops
- Performance appraisal
- Grievance committee
- Employee forums
- Trainings
- Sponsored employee trips
- Life/Medical insurance
- Retirement/pension plans
- Employee suggestions

### Basis of Evaluation of Material Management

- Positive feedback
- Complaints/Constructive feedback
- Employee retention



# Materiality Matrix:

## GOVERNMENT

The company and its products are in alignment with various agriculture development initiatives of the central and various state governments. The company meticulously follows all regulatory rules as a responsible corporate citizen.

### Stakeholder Interests

- Legal compliance
- Regulatory compliance

### Stakeholder Engagement, Mode and Frequency

- Legal department within the company
- Press release
- Compliance with regulations
- Filing of returns
- Report submissions
- Compliance to ESG

### Basis of Evaluation of Material Management

- Number of litigations
- Non-compliance penalty

## SOCIETY

The company ensures that its products are in the interest of the general public. Company monitors and mitigate all social and environment risks which could impact the society. CSR policies of the company are aimed at empowering the under privileged members of the society through various social upliftment initiatives.

### Stakeholder Interests

- Identifying the gap between demand and supply

### Stakeholder Engagement, Mode and Frequency

- Social media
- CSR meetings
- Community building sessions
- Press conferences
- Sponsorships

### Basis of Evaluation of Material Management

- Positive feedback
- Complaints/Constructive feedback
- Number of attendees for public events
- Responses on social media

# Management Discussion and Analysis

## World Macro Scenario

The world has been combating against factors beyond its control since the last two years. Just when economies and businesses started their journey to recovery from the malevolence of COVID-19 pandemic, their path was thwarted by another set of unpleasant situations. 2022 is being characterized by recurrent waves of the pandemic in some parts of the world, but the risks of the geo-political tension between Russia and Ukraine began to materialize and have been more impactful on the way businesses are conducted.

Without signs of an end, the Russian-Ukraine conflict has been continuously attempted to be resolved by world leaders and international regulatory bodies. The conflict has unleashed itself indirectly on most countries, the consequences progressively invading all corners of the world.

The world economy already weakened by the pandemic is now characterized by higher-than-expected inflation worldwide especially in USA and major European nations triggering tighter financial conditions, interruptions in supply chain, shortage of food and the possibility of stagflation. Recently, fresh COVID lockdowns in some parts of the world have compounded the destruction caused to businesses.

Globally, risks of 'above average inflation', in addition to 'below average growth', could persist for years to come, which has potentially hazardous and destabilizing effects on economies.

The World Bank has slashed its forecast for global growth to 3.2% for 2022, stating that subdued growth could possibly persist in this entire decade, led by feeble investments in most countries. The growth rate for FY2023 is expected to be further hit, with the rate at 2.9%, getting impacted by disinflationary monetary policies.

## Indian Macro Scenario

There are a multitude of factors affecting the Indian economy in the current macroeconomic scenario.

India had the strongest rebound in the initial quarters of FY2022, however it has been gradually losing momentum as the trepidations of world economy get seeped in.

Inflation numbers remain high due to rising global energy and food prices and global conditions deteriorate. However, headline inflation is expected to come down in the later quarters of FY2023. Due to depreciating rupee as well as due to rising energy import costs, the current account deficit is expected to widen.

In June 2022, India's Purchasing Manager Index (PMI) Manufacturing has been at the highest value since November 2021, signifying expansion in economic activity. Both core sector growth and Index of Industrial Production (IIP) have shown a robust growth y-o-y, though they are yet to cross pre-pandemic levels, highlighting the fact that the post-pandemic recovery is more statistical than tangible. But there are some other economic indicators that have reached pre-pandemic values now. While PMI is more aligned to the formal sector, IIP includes the informal sector as well. The trends in PMI and IIP indicate that the lag in informal sector is almost counterbalanced by the resilience in the formal sector of the economy.

There is a resurgence of corporate investment due to introduction of Production-Linked Incentive Schemes (PLI).

Largely, the trend in the Indian economy can only be determined by an inter-play of a large number of forces mentioned above, and not in silos. The economy advanced 8.7% in FY2022 and GDP is projected to grow by 6.9% in FY2023 and 6.2% in FY2024.

## Global Pump Industry

The global agriculture pump market is estimated at USD 4.97 Bn in 2022 and is expected to reach USD 9.73 Bn by 2031, growing at a CAGR of 7.71%.

The non-submersible sub-segment is expected to grow at a faster rate of 6.6%, compared to the

submersible sub-segment, contributing almost 68.6% to total revenues. (Centrifugal pumps are non-submersible pumps in that they are used out of the water. Centrifugal pumps offer easy access and can provide a lot more pressure than what submersible pumps can offer).

The global agriculture sector demonstrates the highest demand for pumps at a whopping 79%, and is growing at a CAGR of 8.21%.

The Asia-Pacific region is estimated to contribute almost 36.7% in 2022 and a growth rate of 9.3% CAGR.

## Indian Pump Industry

Playing a significant role in various other sectors of the Indian economy, the pump industry has been immensely benefitting the Indian economy especially in the last decade. The incessant requirement of pumps by the core sectors of the economy have underlined the growing importance of the pump sector in the country. The agriculture sector is the highest consumer of pumps and building services industry comes next.

The rest of the infrastructure sector – the highly technologically intensive sectors – like oil and gas, water and waste management treatments, metals and mining – also have high demand for pumps.

The states of Rajasthan, Haryana, Punjab, Madhya Pradesh, Maharashtra and Chhattisgarh are the largest consumers of pumps in India.

The Indian pump industry is lined by both national (large companies as well as MSMEs) and international players. 95% of the country's demand is met by local players, the balance 5% is imported. The sector is self-reliant in captive power generation and energy efficiency. Compliance with quality systems like ISO 9000, ANSI, API or EUNO series of standards, technologies based on intelligent process and equipment systems and high-end customised products are some of the prominent features of the pump industry in the past few years.

95% of the pumps manufactured are centrifugal pumps, while the remaining 5% are positive displacement pumps.

India exports pumps and valves to over 100

countries, serving different segments, having a global share of 1.5%, which is expected to grow to 4% by 2027. Exports from India have been growing at 10%-12% annually.

As per the EEPC export data, the export of pumps of all types in FY2022 is USD 1005.67+ Mn as against USD 910.37+ Mn in FY2021 i.e., a y-o-y growth of 11%.

## Demand Drivers

- India, predominantly an agrarian economy, has a thriving agricultural sector. Agriculture and irrigation have a sustained demand for pumps.
- Proactive government policies to indirectly accelerate demand for pumps by offering
  - subsidized electricity
  - exemptions on use of solar water pumps

These policies have triggered the rise of independent irrigation facilities thus increasing the demand for water pumps.

- India GDP is projected at USD 15 Trn by the year 2030, of which 70% is accounted for by urbanization, which propels the demand for pumps. Thus, urbanization and population growth are major demand drivers.
- Along with increasing population is the need for better sanitation, which has increased the demand for pumps manifold.
- Awareness of the need for potable drinking water and the emphasis on recycling of water.
- Waste and waste water treatment activities.
- Growth of the Indian chemical and pharmaceutical market has also stimulated the demand for high quality industrial pumps.

- Government policies and regulations towards energy efficiency and promotion of agricultural sector.
- Escalating demand for exports
  - Overseas demand is high in steel, mining and oil & gas.
  - Global population growth

## Key Strengths of Indian Pump Industry

The Indian pump market is a reliable and mature market since years and has been growing steadily. Its price competitiveness and technological consistency gives it a competitive advantage.

Many foreign players have extended technical collaborations and joint ventures with Indian manufacturers, thus enhancing the technical know-how within the country. The domestic pump sector exhibits both vertical and horizontal integration.

- The domestic market for pumps in India is one of the fastest growing.
- Currently, 16% of India's pump manufacturing capacity is ready for exports.
- India has a ready-to-sell, export market, present in more than 100 countries.
- India offers among the highest net value additions in the world (more than 20%).
- Adherence to the best quality standards – such as ISO 9000, ANSI, API or EUNO series.
- Lower cost of operation in India offers labour cost advantage.

India has third largest regional market for water pumps after Middle East Asia and China and is the fastest growing region with an estimated CAGR of over 10% during 2017-27.

## Solar Industry

Global solar industry was valued at USD 50 bn in 2019 and is estimated to grow by 26% to reach USD 200 bn by 2026.

Solar water pumping systems' market in India is

estimated to grow at CAGR of more than 27% from FY2018 to FY2024.

## Key growth drivers of the solar energy market

- Government subsidies
- Tax rebates for solar panel installation
- Increased awareness of environmental degradation

### Estimated Solar Pumps demand under KUSUM

Particulars	KUSUM 1	KUSUM 2	FY24E	FY25E
<b>Solar Pumps</b> (Lakh nos.)	1.50	3.17	3.50	4.00
<b>Avg. Price</b> (₹ Lakh)	-	2.00	2.50	2.50
<b>Centre budget</b> (₹ bn) @ 30% share	-	17.0	-	-
<b>Market Size</b> (₹ bn)	-	60.0	87.5	100.0

## International Solar Alliance (ISA)

Shakti is also the part of International Solar Alliance (ISA) which consists of:

- Aggregated demand for more than 2,70,000 solar pumps across 22 countries.
- More than 1 GW of solar rooftop across 11 countries.
- More than 10 GW of solar mini-grids across 9 countries under its respective programmes.

ISA is a treaty-based intergovernmental organisation, aimed towards making solar energy available 24x7 at affordable cost to all in the 121 tropical countries. It is an action oriented, member driven platform, where massive solar energy deployment is the focus area, ensuring energy security. The ISA is guided by its 'Towards 1000' strategy which aims to mobilise USD 1,000 Bn of investments in solar energy solutions by 2030, while delivering energy access to 1,000 Mn people using clean energy solutions and resulting in installation of 1,000 GW of solar energy capacity.

This would help mitigate global solar emissions to the tune of 1,000 Mn tonnes of CO<sub>2</sub> every year.

ISA is perceived as a critical organisation working towards achieving the 2030 Sustainable Development Goals and objectives of the Paris Agreement on Climate Change.

## **Shakti Pumps (India) Ltd. - Company Overview**

Shakti Pumps (India) Ltd. has been instrumental in changing the face of the pump industry since the past four decades. The “built to last” range of innovative, technologically enabled offerings of Shakti are created with customer-centric focus, suited to commercial as well as industrial usage.

Unswerving commitment as well as consistent investments towards research and development have been the backbone of our path till now.

Starting with the manufacture of pumps, the company moved into the space of stainless-steel pump manufacturing and then more recently into solar pumps.

### **Solar Pumps – the Way Ahead**

Solar pumps are a driving force behind the business. The prices of fossil fuels are sky rocketing, and farmers find irrigation through diesel pumps very expensive. This is where solar pumps play a dual role in mitigating costs for the farmers. While installing solar pumps, various state governments release 30 - 60% of the pump cost and the central government 30%. The remaining only to be paid by the farmer, thus the irrigation cost of the farmer being diminished. The installation of solar pumps will also benefit the state government by reducing the cost of arranging electricity connections like wires, transformers, electric poles etc. while simultaneously reducing the grid load. The expenditure incurred by the farmers is recovered within a year.

The installation of solar pumps enables the farmer to adopt micro-irrigation, due to which the yield of the crop increases manifold, resulting in an increase in the income of the farmer.

Combining the efficiency of drip irrigation with the reliability of a solar-powered water pump will lead

the way with drip-irrigation and micro irrigation. Solar-powered pumps also conserve labour. Solar-powered automation and mechanisation to agriculture will enable farmers to become self-sufficient and live an empowered life.

The state government of Haryana has also started a special campaign called ‘Har Khet Ko Pani’ to promote irrigation and supply adequate water to the farm. Through this scheme, the government wants to make people aware about the benefits of drip irrigation or sprinkler irrigation instead of relying on rain-fed irrigation, in which Shakti Pumps is playing a crucial role.

### **Shakti part of Highest Solar Pump Project in India**

Shakti has announced the successful installation and commissioning of the north-eastern region’s first high-altitude solar pumps project in Mizoram.

Under this marquee project, Shakti Pumps has installed 8 solar pump sets of 75 HP, the highest among similar projects in Mizoram.

Of the 8 solar pump sets installed, 4 pump sets will be working and 4 have been reserved to be on standby. The solar pump project will lift water from the river to a tank (with a capacity of 3 lakh litres) in four stages.

The total vertical height from the riverside to the hilltop water tank is about 900 meters and the total length of the pipeline used to lift the water is about 7,000 meters.

The Sialhawk Solar Pumping Station will provide access to drinking water and supply to the residents of Sialhawk village in Mizoram.

### **Role in Electric Vehicles**

Along with manufacturing submersible pumps, the company has recently ventured into the making of rechargeable batteries, controllers and motors for electric vehicles.

One cannot deny the hazardous effects of the transportation sector operating through fossil fuel. This heralded the arrival of electric vehicles and with their advent, rose the need for organisations to setup manufacturing plants of the ancillary parts. Shakti Pumps once again assumed responsibility,

considering it as a contribution to a sustainable, greener and cleaner future. Through its wholly owned subsidiary Shakti Green, the company has been involved in the manufacturing of motors, chargers, controllers and multi-application component variable frequency drives (VFDs) for electric vehicles.

With an experience of 30 years in manufacturing electric motors and 5 years of manufacturing power electronics equipments, Shakti has gradually penetrated the newly growing market

### Segmental Performance:

Shakti has the following business segments:

1. Solar EPC
2. Solar OEM
3. Domestic and Industrial Consumption
4. Exports

### Analysis of financial performance

The analysis in this section relates to the consolidated financial results of the year ended March 31, 2022.

The financial statements of the company and its joint venture are prepared as per the Indian Accounting Standards (referred to as 'Ind AS')

prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

During FY22, the company earned total revenue of ₹ 118,468 lakhs. It is 26.9% higher than such revenue of ₹ 93,343 lakhs earned in FY21. Net profit decreased 14.2% to ₹ 6,482 from earlier year's ₹ 7,558 lakhs. An analysis of revenue and expenditure is provided below.

#### Revenue

(₹ in lakhs)	FY22	FY21	Change
Operating revenue	117,853	92,966	26.8%
Other income	614	377	62.9%
<b>Total revenue</b>	<b>118,468</b>	<b>93,343</b>	<b>52.4%</b>

PM Kusum Scheme helped the company to generate higher revenue from the last year

Other income went up on account of Interest.



**Segment wise Revenue is as follows:****(₹ in Lacs)**

Segment Type	FY22	FY21
Customers under Government Projects	81,484.21	54,226.53
Industrial Customers	1,551.96	1,747.87
OEM Customers	3,123.00	8,590.04
Export Customers	18,511.19	18,001.59
Other Customers	13,183.14	10,400.10
<b>Total</b>	<b>1,17,853.51</b>	<b>92,966.14</b>

**Cost of materials****(₹ in lakhs)**

	FY22	FY21
Cost of materials consumed	95,445.60	63,838.80
Changes in inventories	(4,981.15)	(1,829.54)
Total materials	90,464.45	65,668.34
Operating revenue	117,853.51	92,966.14
Cost of materials / Operating revenue	76.8%	70.6%

The cost of materials increased by 6.2% in FY22 as compare to FY21. The increase on account of spiralling prices of steel, zinc and other materials.

**Finance costs****(₹ in lakhs)**

	FY22	FY21	Change
Finance costs	1,567.62	1,621.14	-3.3%

Finance costs decreased as the long-term borrowings have been repaid during the year out of the internal accruals.

**Depreciation and Amortisation****(₹ in lakhs)**

	FY22	FY21	Change
Depreciation and Amortisation	1,857.46	1,836.46	1.10%
% of Revenue	1.6%	2.0%	

No significant change in the amount of depreciation and amortisation.

**Income tax****(₹ in lakhs)**

	FY22	FY21	Change
Income tax	1,752.60	3,565.99	
Profit before tax	8,234.81	11,124.43	
Tax as % of Profit before tax	21.3%	32.1%	-10.80%

The above reduction on account of change in Corporate Tax Rate to 22% (effective 25.17% including Surcharge and Education Cess) as per Taxation Laws (Amendment) Ordinance, 2019 issued on 20, September 2019, (as against 34.94% earlier).

**Balance sheet items (Assets)**

- Increase in the gross block of PPE from ₹ 27,181.48 lakhs to ₹ 28,517.38 lakhs, after the addition of ₹ 2,113.66 lakhs and disposal of ₹ 777.76 lakhs.
- Other non-current assets increased to ₹ 206.55 lakhs from ₹ 160.96 lakhs. The increase is on account of capital advances.
- Inventories increased from ₹ 13,340.68 lakhs to ₹ 21,582.69 lakhs mainly in tandem with the increase in production and sales during the year.
- Increase in Receivables from ₹ 26,456.75 lakhs to ₹ 38,277.58 lakhs is mostly on account of higher revenue achieved during the year.
- Increase in Cash and cash equivalents from ₹ 2,157.43 lakhs to ₹ 3,124.99 on account of short term Fixed Deposits lying for LC margin.
- Bank balances decreased from ₹1,989.84 lakhs to ₹1,335.12 lakhs due to non-renewal of fixed deposits on maturity.
- Increase in Other current assets to ₹ 6,455.72 lakhs from ₹ 5,775.06 lakhs is on account of prepaid expenses and statutory receivables.

**Balance sheet items (Liabilities)**

- The non-current borrowing decreased from ₹ 1,991.66 lakhs to ₹ 930.37 lakhs due to the repayment of term loans.
- Current borrowings increased to ₹ 9,570.75 lakhs from ₹ 5,883.46 lakhs as the company required more working capital funds to facilitate the increased procurement, stocking and selling operations during the year.
- Trade payables increased to ₹ 28,399.18 lakhs from ₹ 18,419.86 lakhs in line with the increased procurement of raw materials and other items for higher production.
- Other financial liabilities increased to ₹ 5,187.01 lakhs from ₹ 3,990.04 lakhs. The increase represents higher credit for services, and other payables.
- Other current liabilities increased to ₹ 1,538.78 lakhs from ₹ 592.34 lakhs. The increase represents creditor for capital goods.

**Risk Management**

<i>Risks/ Concerns</i>	<i>Risk mitigation measures</i>
Competition Risk	The Company is an extensive integrated pump manufacturer & solar energy solution provider in India. Its offerings include motors, pumps, solar VFDs & inverters, and subsystems, each being manufactured inhouse with indigenous procedures and tech. No other domestic player has a parallel able range of such product offerings. Being an all-in-one provider, Shakti Pumps has a competitive edge in the pumps' business segment.
Manufacturing Risk	The Company's fungible production facilities and the reliable capacities in place ensure manufacturing risk mitigation. The Company has a widespread presence, and it also monitors and upgrades its property, plant, and equipment from time-to-time to avoid delays.
Technological Risk	The Company has a strong engineering and technological prowess. Its high-tech processes, innovative designs, and technology help deliver products that are a class apart. The Company has flourished over the years on its technological strength on a global scale, backed by its inhouse R&D team of qualified engineers & masters.



## Internal Control Systems and Their Adequacy

For proper financial management and circumventing fraud, Shakti maintains an effective internal control system at par with its size and operations. Internal Control Systems, comprising policies and procedures, are designed to ensure orderly and efficient conduct of business, safeguard the assets of the business, prevent and detect fraud, ensure the completeness and accuracy of accounting records, and timely preparation of financial information. Furthermore, the system is reviewed and updated continually based on the recommendations made by the Statutory Auditors, Internal Auditors, and the Independent Audit Committee of the Board of Directors, of the Company.

## Human Resources

At Shakti, there is a defined HR policy with regards to the code of conduct, working hours, probation, internal transfers, promotion, and misconduct, among others. The Company believes 'Development is only so if it develops all stakeholders', and hence, Shakti Pumps continuously strives to make a conducive work environment for everyone's growth. Talent management & leadership development are the strong pillars, holding the Company's positioning as a desirable workplace.

## Outlook

We expect the momentum to continue going forward as solar power is the need of the hour and various state governments are now allocating budgets towards this direction to contribute to building an environment-friendly product and reduce their power distribution & transmission cost. KUSUM Phase 2 is making strong progress which would generate steady growth for us. In addition to that, we also feel that our major R&D focus would enable us to capture strong footprints in the retail market as well. As the raw material prices have been softening, and with the increase in the retail and export revenue mix, operating margin is expected to improve going forward.

## Cautionary Statement

The information and opinion expressed in this report as well as the Boards' Report describing the Company's objectives, projections, estimates, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the spend by the Government in agriculture and infrastructure, significant changes in political and economic environment in India, volatility in the prices of major raw materials and its availability, taxation laws, exchange rate fluctuations, interest, and other costs.

# Corporate Information

## Board of Directors

Mr. Dinesh Patidar  
Mr. Sunil Patidar  
Mr. Ramesh Patidar  
Mr. Navin Sunderlal Patwa  
Mr. Pramod Kumar Bhawsar  
Mrs. Nishtha Neema  
Mr. Keyur Bipinchandra Thaker

Managing Director  
Whole Time Director  
Whole Time Director  
Independent Director  
Independent Director  
Women Independent Director  
Independent Director

## Company Secretary & Compliance Officer

Mr. Ravi Patidar

## Chief Financial Officer

Mr. Dinesh Patel

## Statutory Auditor

M/s PGS & Associates, Mumbai

## Secretarial Auditor

M/s. M. Maheshwari & Associates, Indore

## Cost Auditor

M/s. M.P. Turakhia & Associates, Indore

## Banker

Axis Bank  
HDFC Bank  
ICICI Bank  
Union Bank of India  
Federal Bank

## Registrar and Transfer Agent

Adroit Corporate Services Pvt. Ltd.  
17-20, Jafferbhoy Ind. Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai 400059  
Tel: +91 (0) 22 42270400  
Email: - sandeeps@adroitcorporate.com

## Registered Address Office & Work

Plot no. 401, 402 & 413 Sector III  
Industrial Area Pithampur -Dist. Dhar-  
M.P.-454774.  
Tel. no: +91- 7292-410500  
Fax no.: +91-7292-410645  
Email:-cs@shaktipumpsindia.com,  
Web:-www.shaktipumps.com

# Notice

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting ("AGM") of the Members of Shakti Pumps (India) Limited will be held through video conferencing ("VC")/Other Audio Visual means ("OAVM") on Thursday, 29<sup>th</sup> September, 2022, at 1:00 P.M. to transact the following business, The deemed venue for the AGM will be the Registered Office of the Company:- Plot No. 401, 402, & 413, Industrial Area, Sector-3, Pithampur, Dist. Dhar (M.P.) 454774.

and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on the behalf of the Board  
Shakti Pumps (India) Limited

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

Place: Pithampur  
Date: July 14, 2022

## ORDINARY BUSINESS: -

- To receive, consider and adopt: -
  - the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon: and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.
- To declare a Dividend on Equity Shares of ₹ 2/- Per Equity Share of ₹10/- each (i.e. 20%) of the Company for the Financial Year ended March 31, 2022.
- To appoint a Director in place of **Mr. Ramesh Patidar (DIN: 00931437)**, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS: -

- Ratification of Remuneration payable to Cost Auditor: -**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution: -**

Ratification of remuneration payable to **M/s. M. P. Turakhia & Associates, Cost Accountants** (Firm Registration No. 000417) appointed as Cost Auditor of the Company for the year 2022-23.

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M. P. Turakhia & Associates, Cost Accountants (Firm Registration No. 000417) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2022-23, be paid a remuneration of ₹ 60,000/- per annum plus applicable Goods & Services Tax and out of pocket expenses that may be incurred in connection with the aforesaid audit be and is hereby ratified."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts

## Notes: -

- In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021 and Circular No. 3/2022 dated May 5, 2022 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-COVID-19 pandemic' and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the 27<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, September 29, 2022 at 1:00 P.M. IST. The deemed venue for the AGM will be the Registered Office of the Company:- Plot No. 401, 402, & 413, Industrial Area, Sector-3, Pithampur, Dist. Dhar (M.P.) 454774 India.
- The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business

under Item nos. 4 set above and the details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking re-appointment at this Annual General Meeting is also annexed.

3. As the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 27<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Institutional/Corporate Members are intending to appoint authorize representatives to attend the meeting through VC/OAVM and cast their vote through e-voting. Institutional/Corporate Members are requested to send a certified copy of the Board resolution / Authorization letter to the Company on their email id:- [cs@shaktipumpsindia.com](mailto:cs@shaktipumpsindia.com) or upload on the VC portal / e-voting portal.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> September 2022 to Thursday, 29<sup>th</sup> September 2022 (both days inclusive) for the purpose of 27<sup>th</sup> Annual General Meeting and payment of Final dividend, if declared at the Annual General Meeting.
7. The Company has fixed Thursday, September 22, 2022 as the Record date for determining the entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
8. The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on Thursday, September 22, 2022 as per details furnished by Depositories for this purpose. In case of shares held in physical form, the dividend will be payable to the shareholders, whose name appears in the Company's Register of Members as on Thursday, September 22, 2022.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
10. In compliance with the MCA Circulars viz General Circulars No. 20/2020 dated May 5, 2020 and No. 02/2021 dated January 13, 2021, issued by the MCA and SEBI Circulars, Notice of the 27<sup>th</sup> AGM along with Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participants, and who wish to receive the Notice of the 27<sup>th</sup> AGM and the Annual Report for the year 2022 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -
  - a) For the Members holding shares in demat form, please update and register your email address through your respective Depository Participant/s.
  - b) For the Members holding shares in physical form, with the Company/Adroit Corporate Services Private Limited.
11. Members may also note that the Notice of this AGM and the Annual Report for the year 2022 will also be available on the Company's website [www.shaktipumps.com](http://www.shaktipumps.com), website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com)
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by Shakti Pumps (India) Limited.
13. Members are encouraged to express their views/ send their queries in advance mentioning their name, demat account number/folio number, e-mail id, mobile number at [cs@shaktipumpsindia.com](mailto:cs@shaktipumpsindia.com) Questions/queries received by the Company till 5.00 p.m. on Tuesday, 20<sup>th</sup> September, 2022 shall only be considered and responded during the AGM.
14. To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
15. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the Members may please contact their respective depository participant.
16. The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in the Securities Market. Members holding Shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants. Members holding shares in physical form are requested to submit their Pan details to the Company or to the Registrar and Share Transfer Agent.

17. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.
18. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address: Adroit Corporate Services Private Limited 18-20, Jafferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India. 022-42270423, Fax: 022-28503748. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
19. Members are requested to note that, Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividends if not paid or claimed for a period of 7 years from the date of transfer of Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF account.

Members are requested to claim their unpaid dividend for the year 2014-15 to 2020-21, if any, from the company, within stipulated timeline. The Company has also sent individual intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company via [www.shaktipumps.com](http://www.shaktipumps.com). Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority <http://iepf.gov.in/IEPF/refund.html>.

20. All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date Thursday, September 22, 2022 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

#### **CDSL e-Voting System – For e-voting and Joining Virtual meetings**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect

of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05<sup>th</sup> May, 2020, general circular No 02/2021 Dt. 13<sup>th</sup> Jan 2021, General Circular No 19/2021 Dt. 8<sup>th</sup> Dec 2021 & 21/2021 dated 14<sup>th</sup> Dec 2021 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 05.05.2020.

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 25<sup>th</sup> September 2022 and 9:00 A.M. and ends on 28<sup>th</sup> September 2022 and 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by**

**way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@shaktipumpsindia.com](mailto:cs@shaktipumpsindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed

after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs@shaktipumpsindia.com](mailto:cs@shaktipumpsindia.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESS:

### Item No.4:- Ratification of remuneration payable to Cost Auditor:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on **July 14, 2022**, the Board has, considered and approved the appointment of **M/s. M. P. Turakhia & Associates, Cost Accountants** as the cost auditor for the financial year 2022-23 at a remuneration of ₹ 60,000/- per annum plus applicable Goods & Services tax and reimbursement of out of pocket expenses.

The Board recommends this Ordinary resolution for approval of the Members.

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.

Information pursuant to 1.25 of the Secretarial Standards on General Meetings (SS-2) regarding Director seeking Re-appointment: -

<b>Name of Directors</b>	<b>Mr. Ramesh Patidar</b>
<b>Date of Birth and Age</b>	January 25, 1973 (49 years)
<b>Expertise in specific functional areas</b>	International Business
<b>Date of appointment</b>	October 17, 2006
<b>No. of Equity Share held in the Company</b>	76848 Equity Shares
<b>Disclosure of relationships between directors inter-se</b>	NIL
<b>Qualification</b>	MBA
<b>List of outside Directorship held in Public Company</b>	NIL
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	NIL
<b>Chairman/Member of the Committee of the Board of Directors of other Companies</b>	NIL

# Boards' Report

Dear Members,

Your directors have great delight in presenting the 27<sup>th</sup> Annual Report along with Company's Audited Financial Statement for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

The financial Summary:-

(₹ In Lacs)

Particulars	2021-2022	2020-21	2021-2022	2020-21
	Standalone		Consolidated	
Sales & Other Income	1,13,469.09	89,029.05	1,18,467.65	93,343.26
Profit before Finance Cost, Depreciation & Tax	9,958.68	12,427.85	11,659.28	14,582.23
Finance Cost	1,357.27	1,403.90	1,567.62	1,621.14
Depreciation & Amortization Expenses	1,734.29	1,702.95	1,857.46	1,836.46
Profit/(Loss) before Tax	6,867.12	9,321.00	8,234.20	11,124.63
Less:-Current Tax	1,919.08	2,202.95	2,224.53	2,491.92
Less:-Deferred Tax	(611.36)	1,001.08	(471.93)	1,074.07
Profit/(Loss) after Tax	5,559.40	6,116.97	6,481.60	7,558.64

## FINANCIAL PERFORMANCE

- Consolidated Financial Performance**

During the year, your Company has revenue from operations of ₹ 1,18,467.65 Lacs as compared to ₹ 93,343.26 Lacs of previous year. Company was able to register a domestic sale of ₹ 96,533.11 Lacs and export sale of ₹ 18,511.19 Lacs in the current year. Your Company have profit for the year of ₹ 6,659.83 Lacs in comparison to ₹ 7,493.46 Lacs in previous year.

- Standalone Financial Performance**

During the year under review, the company has achieved Standalone total revenue from operation of ₹ 1,13,469.09 Lacs as compared to ₹ 89,029.05 Lacs of previous year. Your Company have profit for the year of ₹ 5,531.18 Lacs in comparison to ₹ 6,163.64 Lacs in previous year.

## TRANSFER OF RESERVE

The Company has not transferred any amount to the General Reserves for the year ended 31<sup>st</sup> March 2022.

## DIVIDEND

Based on the Company's performance, the Board of directors has recommended a dividend of 20% i.e. ₹ 2/- per equity share of ₹ 10/- each for the financial year ended March 31, 2022, which if approved at the forthcoming Annual General Meeting ("AGM"), will be paid to all those equity shareholders of the Company whose names appear in the Register of Members and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited. The total dividend pay-out will amount to approx. ₹3.68 Crore (including tax).

## KEY FINANCIAL RATIOS

Particulars	2021-22	2020-21	2019-20
Return on Net Worth (%)	16.49%	22.19%	-5.31%
Return on Capital Employed (%)	19.86%	29.27%	-0.19%
Basic EPS (after exceptional items) (₹)	35.26	41.12	-7.66
Debtors turnover	3.63	4.67	2.42
Inventory turnover	5.52	5.12	2.21
Interest coverage ratio*	6.25	7.86	-0.04
Current ratio	1.59	1.71	1.53
Debt equity ratio	0.27	0.29	0.73
Operating profit margin (%)	9.91%	16.01%	4.42%
Net profit margin (%)	5.47%	8.10%	-3.64%

\*Interest coverage ratio has dropped because of accounting impact of Ind AS 116.

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios, except return on net worth, return on capital employed, operating profit margin & net profit margin.

## DETAILED EXPLANATION OF RATIOS

### (i) Return on Net Worth

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year.

### (ii) Return on Capital Employed

Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

### (iii) Basic EPS

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing Profit for the year by Weighted average number of shares outstanding during the year.

### (iv) Debtors Turnover

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

### (v) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is

calculated by dividing turnover by average inventory.

### (vi) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

### (vii) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

### (viii) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

### (ix) Operating Profit Margin (%)

Operating Profit Margin is profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

### (x) Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

## LISTING INFORMATION

The Company's Shares are listed as follows:

Name of Stock Exchanges	Stock Code/Symbol
1. BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001	531431
2. National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	SHAKTIPUMP

The Company has made all the compliances of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of annual listing fees to the stock exchanges for the year 2022-23.

## SHARE CAPITAL

As at 31<sup>st</sup> March, 2022, the Authorized share capital of the Company is ₹ 40,00,00,000/- consisting of 4,00,00,000 equity shares of ₹10/- each. There is no change in the authorized share capital of the company and

As at 31<sup>st</sup> March, 2022, the paid up Equity Share Capital of the Company was ₹ 18,38,01,560/- consisting of 1,83,80,156 equity shares of ₹10/- each. The Company has not allotted any shares during the year.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

As on March 31, 2022, Your Company has 6 subsidiaries, the details of which are as follows:-

1. Shakti Pumps USA, LLC
2. Shakti Pumps FZE, UAE
3. Shakti Pumps (Shanghai) Limited-China
4. Shakti Pumps (Bangladesh) Limited
5. Shakti Energy Solutions Private Limited
6. Shakti Green Industries Private Limited (w.e.f. 16<sup>th</sup> December, 2021).

There has been no material change in the nature of the Business of the Company and its Subsidiaries.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (Act), a statement containing salient features of financial statements of Subsidiaries Companies in Form AOC-1 is attached as **Annexure - I** and forms part of Director Report.

The Consolidated Financial Statement of the Company prepared as per the Accounting IND-AS Consolidated Financial Statement of the Company with its Subsidiaries have also been included as part of this Annual Report.

## DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act 2013, your Directors state that: -

- a) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## ANNUAL RETURN

The Annual Return of the Company as on 31<sup>st</sup> March, 2022 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website at [www.shaktipumps.com](http://www.shaktipumps.com).

## DISCLOSURE BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz.,

- a) the decorative business international operations,
- b) Industrial and home improvement business,
- c) Internal controls and their adequacy,

Risk Management Systems and other material developments during the financial year.

## CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organizations brand and reputation. The Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 have strengthened the governance regime in the country. The Company is in compliance with the governance requirements and had proactively adopted many provisions of, ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

A separate report on Corporate Governance is provided together with a Certificate from the Secretarial Auditor of the Company regarding compliance of conditions of Corporate Governance. A Certificate of the MD and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

## MATERIAL CHANGES AFFECTING FINANCIAL POSITIONS OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the Company, between the end of the financial year of the Company and the date of this report. There is no order passed by any regulator or court or tribunal against the company, impacting the going concern concept or future operations of the Company

## CORPORATE SOCIAL RESPONSIBILITY

In line with provision of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for the development of programs and projects for the benefit of weaker sections of the Society and the same has been approved by CSR Committee and the Board of Directors of the Company.

CSR policy has been uploaded on the Company's website at [www.shaktipumps.com](http://www.shaktipumps.com).

Pursuant to requirements under section 135 and rules made there under a Report on CSR activities and initiatives taken during the year in prescribed format is attached as **Annexure II** and forms part of Director Report

## RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year is required to constitute a Risk Management Committee; The Board of Directors of the company has constituted Risk management Committee on 21<sup>st</sup> July, 2021. The Company has framed

its Risk Management Policy and details of same has been uploaded on [www.shaktipumps.com](http://www.shaktipumps.com)

Risk management is the process of identification, assessment, and prioritization, of risk followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid a comprehensive risk assessments and minimization procedure which is reviewed by the audit committee and approved by Board.

## RISK AND INTERNAL ADEQUACY

Your company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Control Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

## INTERNAL FINANCIAL CONTROL

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

## DEPOSITS

During the financial year 2021-22, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED.

The Details of loans, guarantees or investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the Note No. 5 to the Financial Statement.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions which were entered during the Financial Year were in the ordinary course of business and

on an arm's length basis. There were no materially significant related party transactions entered by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Company.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature and value of transactions. Since all the related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business, no details are required to be provided in Form AOC-2 as prescribed under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

In line with the requirements of the Companies Act, 2013 and SEBI Listing Regulation 2015, the Board has approved a Policy on Related Party Transactions which is also available on Company's website at [www.shaktipumps.com](http://www.shaktipumps.com).

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTOR

**Mr. Ramesh Patidar, Whole-Time Director** (DIN: 00931437) retires from the Board by rotation and being eligible, offer himself for reappointment which is subject to approval of the Shareholders in the ensuing Annual General Meeting.

The tenure of Mr. Pramod Kumar Bhawsar (DIN:07825119), Non- Executive Independent Director of the company has completed on 18<sup>th</sup> May, 2022 therefore he ceased to be director of the company.

### KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows: -

- a) Mr. Dinesh Patidar: - Managing Director (DIN: 00549552)
- b) Mr. Sunil Manoharlal Patidar: - Whole Time Director (DIN: 02561763)
- c) Mr. Ramesh Patidar: - Whole Time Director (DIN: 00931437)
- d) Mr. Dinesh Patel: - Chief Financial Officer
- e) Mr. Ravi Patidar: - Company Secretary & Compliance Officer

### NUMBER OF MEETINGS OF THE BOARD

During the year, six meetings of the Board of Directors were held. The details of the meetings held and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this annual report.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and

international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

## ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In accordance with the provisions of Schedule IV of the Companies Act 2013, a Separate Meeting of the Independent Directors was held on January 18<sup>th</sup>, 2022, without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors has reviewed the performance and effectiveness of the Board in this meeting as a whole for the Financial Year 2021-22.

## DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as **Annexure III** and forms part of Director Report.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide the healthy environment to all its employees, the company has in place a Prevention of the Sexual Harassment Policy and an Internal complaints committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, The policy aims at educating employees on conduct that constitute sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. The Company has also constituted an Internal Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, no complaints were received against the sexual harassment at workplace.

## AUDITORS AND THEIR REPORTS

### Statutory Auditors

In accordance with the provisions of Section 139 of the Companies, Act, 2013 and the Rules made there under, M/s PGS & Associates., Chartered Accountants Mumbai (Firm Registration No.: 122384W), was appointed as the Statutory

Auditors of the Company at the 26th Annual General Meeting held on 29<sup>th</sup> September, 2021 for the term of three years beginning from financial 2021-22 up the financial year 2023-24.

#### Secretarial Auditor

The Board has appointed **M. Maheshwari & Associates, Company Secretaries** to conduct the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is attached as **Annexure IV** and forms part of Director Report.

#### Cost Auditor

As per the requirement of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company has been carrying out audit of Cost Records.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. M.P. Turakhia & Associates, Cost Accountant, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2022-23 at a remuneration of ₹ 60,000 as required under the Companies Act, 2013. A resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

### COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013.

### VIGIL MECHANISM

The Company has framed a vigil mechanism/whistle blower policy to deal with unethical behavior actual or suspected fraud or violation of the Companies Code of Conducts or ethics policy, if any. The Vigil Mechanism/ whistle blower policy has been uploaded on the website of the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is attached as **Annexure V** and forms part of Director Report.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report forms a part of this Annual Report is attached as **Annexure VI** and forms part of Director Report.

### APPRECIATION AND ACKNOWLEDGMENTS

Your directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

The board places on record its appreciation for the support and co-operation your company has been receiving from its suppliers, retailers, dealers and other associated with the company.

Your company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavor to build and nurture strong links on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Directors also take the opportunity to thank all shareholders, clients, vendors, Banks, Government and Regulatory authorities and stock exchanges, for their continued support.

**For and on behalf of the Board of Directors  
SHAKTI PUMPS (INDIA) LIMITED**

Place:- Pithampur  
Dated:- July 14, 2022

**Dinesh Patidar  
Chairman  
DIN:-00549552**



## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Name of the subsidiary	Shakti Pumps LLC USA	Shakti Pumps FZE	Shakti Pumps (Shanghai) Limited	Shakti Pumps (Bangladesh) Limited	Shakti Energy Solutions Pvt. Ltd.	Shakti Green Industries Private Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 75.20	USD 75.20	RMB 12.15	BDT 0.88	INR 1.00	INR 1.00
4. Share capital	3331941	15656115	1691875	3726750	19957610	100000
5. Reserves & surplus	229131103	196098039	(706035)	(882393)	266509277	5000000
6. Total assets	255871351	294264227	1747921	20881251	657085817	5199090
7. Total Liabilities	23408307	82510073	911507	17953114	67491655	99090
8. Investments	-	-	-	-	-	-
9. Turnover	336942579	811902714	1332	24574454	1546811296	-
10. Profit before taxation	51659872	54581839	(237743)	289711	115969416	-
11. Provision for taxation	11198507	-	-	-	4161475	-
12. Profit after taxation	40461365	54581839	(237743)	289711	82712892	-
13. Proposed Dividend	-	-	-	-	-	-
14. % of shareholding	100	100	100	99.99	100	100

Notes:-

- Shakti Pumps (India) Limited has incorporated a Wholly Owned Subsidiary i.e. Shakti Green Industries Private Limited on 16<sup>th</sup> December, 2021.

## Part "B":- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NA	NA	NA
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

For and on behalf of the Board of Directors  
Shakti Pumps (India) Limited

Dinesh Patidar  
Managing Director  
DIN:-00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

Place:- Pithampur  
Dated:- May 02, 2022

## Annexure 'II'

## ANNUAL REPORT

### ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company:

A brief outline of the company's CSR policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society. To pursue these objectives, we will continue to:-

1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
2. Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
3. Interact regularly with stakeholders, review and publicly report our CSR initiatives.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pramod Kumar Bhawsar	Chairman	1	1
2.	Mrs. Nishtha Neema	Member	1	1
3.	Mr. Navin S Patwa	Member	1	1

#### 3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.shaktipumps.com](http://www.shaktipumps.com)

#### 4. Details of the Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl.No.	Financial Year	Amount available for set-off from preceding financial	Amount required to be set-off for the year, if any (in ₹)
--	--	--	--
Total			

#### 6. Average net profit of the company as per section 135(5):

**Net Profit: ₹ 36,33,23,466/-**

- (a) Two percent of average net profit of the company as per section 135(5): ₹ 72,66,469 /-
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year(if any): Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 72,66,469/-

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Amount transferred to Unspent CSR Account as per section 135 (6) of the Act		Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
72,66,469	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of the project	Project duration. (in years)	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount Transferred to Unspent, CSR Account for the Project as per Section 135 (6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through implementing Agency
				State/ Union Territories	District					Name CSR registration number

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State/ Union Territories	District			Name	CSR registration Number
1.	Promoting Education	Item No. ii	Yes	Madhya Pradesh	Indore	₹ 70,57,568/-	No	Shakti Foundation	CSR00005544
2.	Promoting Health Care	Item No. i	Yes	Madhya Pradesh	Dhar	₹ 50,000/-	Yes	--	--
3.	Availability of Safe Drinking Water	Item No. i	Yes	Madhya Pradesh	Dhar	₹ 11,500/-	Yes	--	--
				Madhya Pradesh	Indore	₹ 94,323/-			
				Madhya Pradesh	Khargone	₹ 53,078/-			

- (d) Amount spent on Administrative Overheads: Nil.
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 72,66,469/-
- (g) Excess amount for set-off, if any: Not Applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the Project- Completed /Ongoing

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**):
- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**On behalf of the CSR Committee**

Dinesh Patidar  
Managing Director  
(DIN: 00549552)

Pramod Kumar Bhawsar  
Chairman CSR Committee  
(DIN: 07825119)

Place:- Pithampur  
Dated:- July 14, 2022

## STATEMENT OF DISCLOSURE OF REMUNERATION

(Pursuant to Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014.

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the company and percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2021-22:

S. No.	Name of Director/ KMP	Designation	Remuneration (in ₹)	Ratio to median remuneration	% Increase in remuneration in the financial year
1	Mr. Dinesh Patidar	Managing Director	9,00,00,000	209.30	0.00
2	Mr. Sunil Patidar	Whole - Time Director	12,61,500	2.90	0.00
3	Mr. Ramesh Patidar	Whole - Time Director	45,84,800	10.65	10.30%
4	Mr. Dinesh Patel	Chief Financial Officer	21,86,956	5.09	10.00%
5	Mr. Ravi Patidar	Company Secretary	12,90,364	3.01	10.00%

- B. The percentage increase in the median remuneration of employees in the financial year 19.77%.
- C. The number of permanent employees on the rolls of the Company: 496.
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 15.47%
- E. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

**Annexure “IV”****Form No. MR - 3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**SHAKTI PUMPS (INDIA) LIMITED**  
CIN: L29120MP1995PLC009327  
Plot No. 401, 402 & 413 Sector III Industrial Area  
Pithampur, (M.P.) - 454774

I have conducted the Secretarial Audit of the compliance of applicable statute or provisions and the adherence to good corporate practices by **SHAKTI PUMPS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2022 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amendments from time to time. [Not Applicable as the Company has not issued further share capital during the financial year under review];
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (Not Applicable to the Company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. [Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review.]

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review].
- vi. I have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company
  - i. Workmen's compensation Act, 1923 and all other allied labor laws,
  - ii. Applicable Direct and Indirect Tax Laws.
  - iii. Prevention of Money Laundering Act, 2002
  - iv. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I report further that, during the audit period:**

The company has altered its Object Clause of the Memorandum of Association of the company by inserting new clauses (V) (A) 3, 4 and 5 with the existing clauses and Deletion of all clauses of other Object Clause of the Memorandum of Association and Amendment of Incidental or Ancillary Object Clause of the Memorandum of Association pursuant to Section 13 (1) read with sub section (9) and Adoption of New set of Articles of Association of the company as per Section 14 (1) of the Companies Act, 2013 through postal ballot on 30<sup>th</sup> December 2021 by altering the provisions of Memorandum of Association and Articles of Association during the period under review and has complied with the provisions of the Act.

There were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

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

**For M. Maheshwari & Associates**  
**Company Secretaries**  
**Firms U.C.N. I2001MP213000**

**Manish Maheshwari**  
**Proprietor**  
**FCS-5174**  
**CP-3860**

Date : 11<sup>th</sup> July 2022  
Place : Indore  
UDIN : F005174D000598327

To,  
The Members,  
**SHAKTI PUMPS (INDIA) LIMITED**  
CIN: L29120MP1995PLC009327  
Plot No. 401, 402 & 413 Sector III Industrial Area  
Pithampur, (M.P.) - 454774

My Secretarial Audit Report of even date is to be read along with this letter.

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

**For M. Maheshwari & Associates**  
**Company Secretaries**  
**Firms U.C.N. I2001MP213000**

Date : 11<sup>th</sup> July 2022  
Place : Indore  
UDIN : F005174D000598327

**Manish Maheshwari**  
**Proprietor**  
**FCS-5174**  
**CP-3860**



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

[Section 134 (3) (M) of The Companies Act, 2013 read with Rule 8(3) of the Companies Accounts) Rules, 2014]

S.No.	Particulars	
<b>Conservation of Energy:-</b>		
1	the steps taken or impact on conservation of energy;	<p>Being an energy efficient product manufacturer we make energy efficient stainless steel pumps motors and power electronic products. We offer energy efficient pumping systems for agriculture and offers energy savings over 40% compared to conventional pumping system.</p> <p>Our all the newly developed product is having utmost care in terms of energy efficiency, every single watt of energy we save at the product end, it helps to create big difference at the power generation end.</p> <p>Also, we are keen in educating our employees, stock holders and all interested parties to educate on energy conservations and energy efficiency</p>
2	the steps taken by the Company for utilizing alternate sources of energy;	<p>The company is constantly adopting solar as alternative source of energy and promoting solar pumps and grid interactive inverters across globe and company made solar business as key focus area of business. This solar power could transform our agricultural landscape and improve quality of life in rural and urban India ensuring energy security to the poor and marginalizes. This would immensely help climate change mitigation efforts by in line with global. The company is also working towards the solar chulha and home lighting systems to improve the quality of rural personals.</p> <p>Our admin building is fully run on solar energy as we have installed in-house 150kW solar roof top and solar parking</p>
3	the capital investment on energy conservation equipments	<p>We have invested heavily on R&amp;D and other renewable energy applications and equipments such as solar simulators and state of the art facility for solar pumps and inverter development and testing setups, power quality measurement equipments, load banks, grid simulators etc.</p> <p>We have added few other R&amp;D infrastructure to support our interest in energy conservation and energy efficiency.</p>
<b>Technology absorption: -</b>		
(i)	the efforts made towards technology absorption	<p>We have indigenously developed solar pumping technology and associated products to make solar pumping successful. For solar pumping not only solar panel but other key element like energy efficient motors, pumps, power converter and structure to harness maximum of solar energy. This made us capable to offering end-to-end solar pumping solutions in agriculture, commercial and domestic applications that has potential to impact the energy scenario in India.</p> <p>Recently we have developed technology to harvest solar energy not only to grid but also utilize the same in other house hold or agriculture needs.</p> <p>The extensive R&amp;D in the field of solar pumping helps us to develop above said products and R&amp;D resulted in filing several patents in this area.</p> <p>We are working towards indigenus development of VFD's, Grid-tie Inverters for single phase and three-phase for supporting domestic and export market.</p> <p>We have also collaborated with IIT Delhi, IISc Bangalore and other premium institutes for research and development in motor pumps and power converter technology.</p>

S.No.	Particulars	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<p>Solar water pumping systems developed by us has great potential to bring transformational changes in agriculture, reduction in irrigation cost and effective use of water. Our newly developed solar drives are best substitutes against import of drives from China.</p> <p>Also, the grid tie inverters developed by us are feeding power to the grid has immense potential to reduce the energy cost along with its clean solution</p> <p>Our all the power electronic based products are having very high impact on import as earlier most of the products were imported from China</p>
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	No
	(a) the details of technology imported	Nil
	(b) the year of import	Not Applicable
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-
iv.	The expenditure incurred on Research and Development	₹ 4.52 Cr.
<b>Foreign Exchange earnings and outgo</b>		
i)	<b>Foreign Exchange Earned</b>	₹ 180.32 Cr.
ii)	<b>Foreign Exchange Outgo</b>	₹ 64.30 Cr.

## Annexure “VI”

# BUSINESS RESPONSIBILITY REPORT FOR THE FY 2021-22

## In terms of Regulation 34 of the Listing Regulations

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L29120MP1995PLC009327
2. Name of the Company	SHAKTI PUMPS (INDIA) LIMITED
3. Registered address	Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur MP 454774
4. Website	<a href="http://www.shaktipumps.com">www.shaktipumps.com</a>
5. E-mail id	<a href="mailto:cs@shaktipumpsindia.com">cs@shaktipumpsindia.com</a>
6. Financial Year reported	Financial year 2021-22 (01 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022)
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code 28132 (Manufacture of other pumps)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Energy Efficient Submersible/Surface Pumps & Motors Solar Irrigation Pumps & Motors Solar Pump Controller Variable Frequency Drives (VFDs)
9. Total number of locations where business activity is undertaken by the Company	
I. Number of International Locations (Provide details of major 5)	4 International Locations namely USA, Bangladesh, China and UAE
II. Number of National Locations	21 Branch Offices across the country
10. Markets served by the Company – Local/State/ National/International	The Company serves in both national and international markets.

### Section B: Financial Details of the Company

1. Paid up Capital (INR in lacs)	₹ 1838.02
2. Total Turnover (INR in lacs)	₹ 118467.65
3. Total profit after taxes (INR in lacs)	₹ 6481.60
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR activities for the financial year 2021-22, is ₹ 72.66 i.e. 2% of average net profit of the Company for last three financial years calculated as per section 198 of the Companies Act, 2013.
5. List of activities in which expenditure in 4 above has been incurred:-	The CSR amount is spent in following broad areas: I. Capacity building and skill development training II. Promotion of education and sports. III. Preventive health care

### Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?**  
Yes, the Company has 6 subsidiary companies.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
No, the subsidiary companies do not participate in the BR initiatives of the Company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**  
The Company is working towards including its supply chain in their BR initiatives. However, none of its suppliers or distributors as now is a part of BR Initiatives.

## Section D:-BR Information

### 1. Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

Name	Designation	DIN
Mr. Pramod Kumar Bhawsar*	Independent Director	07825119
Mrs. Nishtha Neema	Independent Director	01743710
Mr. Navin Sunderlal Patwa	Independent Director	01009404

\*Chairman of the Committee

#### (b) Details of the BR head

DIN Number (if applicable)	07825119
Name	Mr. Pramod Kumar Bhawsar
Designation	Head-BRR
Telephone number	+91 7292410500
E-mail id	<a href="mailto:pramod.bhavsar@shaktipumps.com">pramod.bhavsar@shaktipumps.com</a>

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 3: Employees' Wellbeing [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Environment [P6]

Principle 7: Policy Advocacy [P7]

Principle 8: Inclusive Growth [P8]

Principle 9: Customer Value [P9]

#### (a) Details of compliance: -

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company's policies are complaint with relevant national/international standards as well as all applicable laws and regulations and also meet national regulatory requirements. The policies are written in accordance with the relevant regulatory requirements.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.shaktipumps.com/Policy_on_BRR/Testing_Policy_on_BRR.pdf">www.shaktipumps.com/Policy_on_BRR/Testing_Policy_on_BRR.pdf</a>								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:-

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									Not Applicable
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR.

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Business Responsibility performance of the Company is assessed annually by the CSR Committee.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the information on BR in the Annual Report, which is available on the website of the Company. The Business Responsibility Report of the Company will be published annually.

## Section E: Principle-Wise Performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No, Ethics, Transparency and Accountability Policy is applicable to the directors and employees of the Company across all its functions, units and branches.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2021-22, no complaints were received by the Company.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**

The Company is committed to work with its stakeholders to mitigate the environmental and social impacts of its products throughout their life cycle. We manufacture products responsibly with minimum negative impact on environment, few such products include: -

(a) **Solar Irrigation Pumps/Energy Efficient Pumps and Motors:** Company manufactures clean energy products such as solar pump and motors that reduces GHG emissions as compared to traditional pumps. Company has an aggregate solar installation capacity of about 227 MW in solar pumping system and solar rooftops. Moreover, the conventional pumps and motors manufactured are highly energy efficient resulting in huge monetary savings coupled with reduced impact on environment.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

(a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?** Not Applicable

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Our products are solar energy operated and 40% energy efficient contributing to usage of energy. Moreover, our micro irrigation products are aimed at saving water on a substantial scale i.e. up to 80% as compared to the conventional farming techniques.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

We work in tandem with our suppliers and most of our procurement of raw materials and services are awarded to vendors who have systems in place to ensure responsible behavior such as adherence to local and national compliances, implementation of management systems including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 etc.

**Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company uplifts the procurement of goods and services from local and small producers surrounding its

plant locations. The contractors, engaged in the plants, mostly employ workmen from the nearby villages. Also the company has a vast network of suppliers both in India and abroad. However, the procurement decisions are always taken considering the development of local economy. Many of our suppliers are local and from other parts of the country thereby leading to ease of delivery of products and services and minimal environmental footprints and costs.

We are committed to development of small vendors in terms of technology and skills and our engineers often educate and enhance skills of resources of vendors by helping them through direct knowledge sharing and arranging trainings in a need based manner.

**4. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.**

Not applicable.

**Principle 3: Businesses should promote the wellbeing of all employees**

**1. Please indicate the total number of employees, number of employees hired on temporary/ contractual /casual basis, number of permanent women employees and number of permanent employees with disabilities?**

The total number of permanent employees are 496 on roll employees number of employees hired on temporary/ contractual /casual basis are 732, total number of permanent women employees is 14.

**2. Do you have an employee association that is recognized by management?**

No.

**3. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

**4. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

No complaints related to child labour, forced labour, involuntary labour and sexual harassment were reported during the year.

**5. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Employees	50%
(b) Permanent Women Employees	57%
(c) Casual/Temporary/Contractual Employees	67%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, during the reporting period, the company has mapped its internal and external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the Company has identified disadvantaged, vulnerable and marginalized communities in the vicinity of the manufacturing plants as most vulnerable external stakeholders. The youth, children and women emerged as target groups and hence are being catered through CSR projects.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so?**

The company through its CSR activity established a Charitable Trust named as 'Shakti Foundation' under which various initiatives and programs have been organized to engage with disadvantaged, vulnerable and marginal stakeholders. The Foundation is primarily engaged in establishment and maintenance of Institutions for providing education and health care to the vulnerable and the poor.

**Principle 5: Businesses should respect and promote human rights.**

**1. Does the policy of the company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ Contractors/NGOs/Others?**

Presently the company does not have any human rights policy. However, we follow the broader guidelines of human rights and company strives to ensure that neither the company nor any of its stakeholders indulge in any form of human rights violations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the reporting period, no complaints were received.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the group/ joint ventures/ suppliers/ contractors/ NGOs/other.**

As of now, we do not have any specific policy on environment, but the company is keen to follow the

general environmental guidelines as key stakeholder in climate change mitigation campaign of the Government of India.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has taken initiatives to combat climate change which include education of carbon emissions by setting up own rooftop and ground mounted solar power generation systems. Overall solar power capacity across Shakti group of companies is 418KW. This means solar energy accounts for 12% of the overall energy consumption. More importantly, we are a company that produces energy efficient and solar energy operated pumps and motors which help our customers and stakeholders to scale up the use of solar energy and energy efficient products contributing to the cause of climate change mitigation efforts by government of India.

**3. Does the company identify and assess potential environmental risks? Y/N.**

Yes, the Company believes in taking informed decisions when it comes to environmental risks and opportunities.

**Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No, we don't have any specific project on Clean Development Mechanism. However, we are constantly trying to increase the share of clean energy to meet in-house energy requirements while we are committed to manufacture products that are energy efficient, eco-friendly and solar (clean) energy operated that bring positive change in the environment in the long run.

**4. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company being an energy efficient product manufacturer makes energy efficient stainless steel pumps motors and power electronic products apart from its flagship product namely solar irrigation pumps. Company offers energy efficient pumping systems for agriculture and offers energy savings over 40% compared to conventional pumping system. Our all our new products have utmost care in terms of energy efficiency. And believe every single watt we save at the product end will have big impact on the demand of power generated.

The company is constantly adopting solar as alternative source of energy and promoting solar pumps and inverters across the globe and made solar business a key focus area. It is believed that the solar power could transform our agriculture, rural landscape, employment and quality of life in rural and urban India. Scaling up the use of solar energy and its applications will ensure

energy security to the poor and the marginalized. This would immensely help climate change mitigation efforts on a global scale. The company is also working towards the solar chulha (solar stove) and home lighting systems to improve energy access and the quality of life among the rural population.

**5. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/waste generated by the Company during the year was within permissible limits given by CPCB/SPCB(s) and we set a target for ourselves for a zero waste organization.

**6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

As on 31<sup>st</sup> March, 2022, the company has not received any show cause/ legal notices from CPCB/SPCB

**Principle 7: -Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: -**

Yes, we are member of many industry body or associations, FICCI, CII, EEP, FIEO, NSEFI, IEEMA, AEEE etc. are to name a few apart from being the member of various committees with government and industry organizations.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Presently, the Company is carrying out activities on advancement or improvement of public good both directly and through various associations. The Company actively participates in these forums to raise issues related to policy and regulatory matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process in the larger interest of the industry and environment and do not practice lobbying on any specific issue for the benefit of individual interest.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the company have specified Programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company is committed to engage the organizational resources and knowledge to ensure and enhance livelihoods and living conditions of communities through

sustainable development oriented interventions, capacity building, skill developments, sanitation, education, and health care. The Company has developed programs based on the needs of the community and we consider all stakeholder groups are significant for the projects at various stages of its implementation. The following are the areas of intervention;

- (a) Education: Supporting education so that its benefits may be available for the economically weaker sections at large.
- (b) Living condition (Social Development): Preventive Healthcare and Sanitation, Women Empowerment, Environmental initiatives, Sport promotions etc.
- (c) Skill development initiatives in various fields

**2. Are the Programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

To give greater attention to the CSR programs, the Company established a charitable foundation namely 'Shakti Foundation' which is a registered trust under Indian Trust Act. The Foundation implements projects directly by using internal resources and expertise. Although, Shakti Foundation is sole owner of all its community Programmes, to bring external expertise and knowledge to make programme more effective, we collaborate with likeminded organizations at different stages of Programmes.

**3. Have you done any impact assessment of your initiative?**

No

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Total amount spent on CSR activities in FY 2021-22 is ₹ 72.66 Lacs. The amount was spent on following programmes:

**Education/Skill Building:** The Company through its Charitable Trust Shakti Foundation established an education institution for providing education to children's so that the benefit thereof may be available to the underprivileged at large.

For detail information please refer CSR section and Annexure II of Directors Report in Annual Report.

**Promoting Health Care:** The Company has also made contribution in promoting health care of the society.

**Drinking Water:** Company also helped in providing basic amenities such as drinking water facilities to marginalized groups and village communities at various places.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company believes in need based CSR, the programmes are designed in consultation with the local communities. Therefore, there is a sense of



ownership that instills pride and accountability leading to a successful adoption of the community development initiative. Further, during the course of the project implementation, we work towards building the capacity of local community and stakeholders to ensure sustainability of the programme e.g. in skill development Programmes, building the capacity of community and empower them to make projects self-sustainable.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company has a firmly established system for dealing with customer complaints and consumer cases. All complaints are legitimately addressed and resolved, in most of the cases at the earliest. As on 31<sup>st</sup> March 2022 no complaints are pending for resolution.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

All the Products information is displayed on all product/goods of the Company in accordance with the Legal

Metrology Act, 2011 and the applicable Rules thereunder/ other laws. In addition, wherever it is considered relevant and appropriate for it to facilitate better usage of the product/goods by the consumer, additional information about the products/goods, the use and the mode of handling thereof are also provided

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company during last five years and pending as on end of the financial year 2021-22.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. Customer satisfaction and consumer survey is carried out through internal resources. We believe the consumer plays an important role in our value chain. We engage with them regularly through exclusive centralized customer care centre with toll free numbers and take their feedback directly or through surveys with an objective to improve our service quality and performance aiming to improve consumer satisfaction.

# Report on Corporate Governance

## 1. Company's Philosophy on Corporate Governance: -

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling consistently the high standard of Corporate Governance in all facets of the Company's operations. The Company believes that good governance principles are to be followed relentlessly in its Onward and Upward growth trajectory to safeguard the interest of all the stakeholders and enhancing their values.

Corporate governance is important for every organisation, as it creates a set of rules and practices, for steering the operations ethically and aligning the interest of all its stakeholders. Practice of good governance principles leads to operational and financial viability. The Company always endeavors to uphold the principles of transparency, accountability and fairness in its operations. The philosophy of practicing unwavering governance principles has enabled the Company to achieve a steadfast growth in its four decades of existence.

The Corporate Governance Code adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors ('the Board'), Statutory Board Committees may effectively operate for the benefit of its varied stakeholders.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the

management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

## 2. Board of Directors: -

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director has business /functional heads as its members, which look after the management of the day-to-day affairs of the Company.

### Composition of Board: -

As on March 31, 2022, the Board of Directors of the Company has 7 (Seven) Directors. Out of the Seven Directors, 3 (Three) are Executive Director including Chairman, 4 (Four) are Non-Executive Directors and all are Independent Directors including one woman Director. The composition of the Board is in conformity with Regulation 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and 152 of the Act. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities productively and provide effective leadership to the Company.

### Composition and Directorship(s)/Committee Membership(s)/Chairmanship(s) and number of other Board and Committees as on 31<sup>st</sup> March, 2022:

S. No.	Name of Directors	Category of Directorship	No. of outside Directorship in Public Limited Held	No. of Committee position held in other Public Limited Companies.	
				Membership	Chairmanship
1	Mr. Dinesh Patidar	Executive	1	-	-
2	Mr. Sunil Patidar	Executive	1	-	-
3	Mr. Ramesh Patidar	Executive	-	-	-
4	Mr. Navin Sunderlal Patwa	Independent	-	-	-
5	Mrs. Nishtha Neema	Independent	-	-	-
6	Mr. Pramod Kumar Bhawsar*	Independent	-	-	-
7	Mr. Keyur Bipinchandra Thaker	Independent	-	-	-

\* Mr. Pramod Kumar Bhawsar ceased to be director with effect from 18<sup>th</sup> May, 2022 on completion of his term as Independent Director of the Company.

The company has accordingly reconstituted the committee/s where Mr. Pramod Kumar Bhawsar was a member or chairman.

### Appointments and Tenure

The Directors of the Company are appointed/re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of employment with the Company.

None of the Independent Director(s) of the Company resigned before the expiry of their tenure.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board: -

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.

### Board Meetings

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The notice of Board / Committee meeting is given well in advance to all the Directors. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year 2021-22, all the Board and Committee meetings were conducted through audio visual means as per the circulars/rules issued by Ministry of Corporate Affairs (MCA) and SEBI from time to time, for conducting meetings during the pandemic. During the financial year ended March 31, 2022, Six Board meetings were held on May 17, 2021, July 21, 2021, August 13, 2021, October 19, 2021, November 29, 2021, and January 18, 2022. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days.

### Attendance for the Board

S. No.	Name of the Directors	Category of Directorship	No. of Board Meetings		Attendance at last AGM
			Held	Attended	
1	Mr. Dinesh Patidar	Executive Director	6	6	Yes
2	Mr. Sunil Patidar	Executive Director	6	6	Yes
3	Mr. Ramesh Patidar	Executive Director	6	6	Yes
4	Mr. Navin Sunderlal Patwa	Independent Director	6	6	Yes
5	Mrs. Nishtha Neema	Independent Director	6	6	Yes
6	Mr. Pramod Kumar Bhawsar	Independent Director	6	6	Yes
7	Mr. Keyur Bipinchandra Thaker	Independent Director	6	6	Yes

### Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Board/Committees or as a Member of the Committee. The Company Secretary advises/assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

### Confirmation and Certification

The Company annually obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. M. Maheshwari & Associates, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from

being appointed or continuing as Directors of Company by the SEBI and MCA or any such authority and the same forms part of this Annual Report.

#### **Board Independence:-**

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. M. Maheshwari & Associates, Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management. The Board includes four Independent Directors.

#### **Separate Meeting of Independent Directors: -**

In accordance with the provisions of Schedule IV of the Companies Act 2013, and regulation 25(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a separate meeting of the Independent Director was held on January 18, 2022. Without the attendance of Non-Independent Directors and Members of the Management.

The following Independent Directors were present at the Meeting Namely Mr. Navin Sunderlal Patwa, Mrs. Nishtha Neema, Mr. Pramod Kumar Bhawsar and Mr. Keyur Bipinchandra Thaker.

The Meeting reviewed the performance of Non-Independent Directors and the Board as a whole.

Also the meeting reviewed the performance of the Chairman of the Company.

Assist the quantity and quality and timeliness of law of information between Company Management and Board.

#### **Board Evaluation**

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The criteria of performance evaluation of Board, its Committees and Individual Directors forms part of the Corporate Governance Code which is available on the website of the Company. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in Strategy Board Meetings, etc.

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Chairman and Managing Director of the Company along with the Chairman of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee meetings are enriched by such diversity and complementarities. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

The Board also noted that given the changing external environment the Company should be prepared for any likely disruption. The Board emphasized role of technology in this regard and the need to build capabilities in this area. The evaluation exercise also highlighted the need for having better understanding of competitive landscape in a dynamic business environment and importance of external perspective in Board deliberations. These areas have been identified for the Board to engage itself with and the same will be acted upon.

#### **Director's Induction and Familiarization: -**

The Board Familiarization program comprises of the following:

- Induction program for new Independent Directors.
- Immersion sessions for new Independent Directors.
- Strategy session

All new Independent Directors are taken through detail induction and familiarization program when they join the board of your company. The Induction program is an exhaustive one that covers the history and culture of Shakti background of the Company and its growth over the last several decades, various milestones in the companies' existence since its incorporation, the present structure and an overview of businesses and functions.

As a part of the induction sessions, the Managing Director provides an overview of the organization, its history, values, culture and purpose. The Business and Functional Heads take the Independent directors through their respective businesses and functions. The

Independent Directors are also inducted through Factory and Market visits to understand the operation of the Company. The Independent Directors are also exposed to the Constitution, board procedures, matters reserved for the Board and major risks facing the Business and mitigation programs. The Independent Directors are also made aware of their roles and responsibility at the time of their appointment and a detailed letter of appointment is issued to them.

### 3. Committees of the Board: -

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as part of good governance practices. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

During the year, all recommendations of the Committees of the Board have been accepted by the Board.

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

#### I. Audit Committee: -

Audit committee is constituted according to the provisions of Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177 of the Companies Act, 2013.

The Company's audit committee consists of Three Directors, out of which two are Non-Executive Independent Directors. All the members have adequate knowledge in the areas of finance and accounting.

The Company Secretary of the Company acts as the Secretary to the audit committee.

The committee takes advice and recommendations from all the departmental heads, internal auditor, and statutory auditors whenever required.

Terms of Reference: -

Terms of reference of the committee broadly are as under: -

- 1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Considering and recommending the appointment, re-appointment of 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.

- 3) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the directors' responsibility statements to be included in the board's report in terms of 134(3)(c) of the companies Act 2013.
  - b) Change if any in accounting policies & practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.
- 4) Reviewing with the management the quarterly financial statements before submission to the board for approval.
- 5) Reviewing with the management the statement of uses /application of Funds raised through an issue (Public, Right, Preferential Issues), The Statements of funds utilized for purposes other than those stated in the offer document Notices/Prospectus/Notice and Report submitted by the Monitoring agency the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in the matter.
- 6) Review and monitor the auditor's independence, performance and effectiveness of Audit Process.
- 7) Approval or any subsequent modification of transactions of the company with related Parties.
- 8) Scrutiny of Inter Corporate Loans and Investments.
- 9) Valuation of Undertakings or Assets of the Company where ever it is necessary.
- 10) Evaluation of Internal Financial Control and Risk Management.
- 11) Reviewing with Management Performance of Statutory and Internal Auditor Adequacy of Internal Control Systems.
- 12) Reviewing the adequacy of Internal Audit Function, if any including the Structure of Internal Audit Department, Staffing and Seniority of the Official Heading of the Department, Reporting Structure Coverage and Frequency of Internal Audit.

- 13) Discussion with Internal Auditors of any Significant Findings and follow- up thereon.
- 14) Reviewing the Findings of any Internal Investigations by the Internal Auditors into matters where there is suspected Fraud or Irregularity or failure of Internal Control Systems of a material Nature and reporting the matter to the Board.
- 15) Discussion with Statutory Auditor before the Audit Commences, about the nature and Scope of Audit as well as post Audit Discussion to ascertain any area of Concern.
- 16) To look into reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (In case of Non Payment of Declare Dividend) and Creditors.
- 17) To Review the functioning of the Whistle Blower Mechanism.
- 18) Approval of Appointment of CFO (i.e. Whole time Finance Director or any other Person heading the Finance Function for discharging that Function) after assessing the qualification experience and background etc. of the candidate.
- 19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers and role of the Audit committee is in accordance with the provisions of Section 177 of the companies act 2013 and Regulation 18(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look in to such matters as mandated SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year ended March 31, 2022, 4 (Four) meeting of the Audit Committee were held on May 17, 2021, July 21, 2021, October 19, 2021, and January 18, 2022.

S.N.	Name	Category	Number of Meetings during the year 2021-22	
			Held	Attended
1	Mrs. Nishtha Neema	Independent Director	4	4
2	Mr. Navin Sunderlal Patwa	Independent Director	4	4
3	Mr. Dinesh Patidar	Executive Director	4	4

## II. Nomination and Remuneration Committee: -

The Company has constituted Nomination and Remuneration Committee, as per the requirement of Section 178 of the Companies Act, 2013. Which Comprises of 3 (Three) members namely, Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhawsar and Mrs. Nishtha Neema all are Independent Directors.

During the financial year ended March 31, 2022, 1 (One) Meeting was held on i.e. July 21, 2021, the details of meetings held and attendances are as follows: -

S.No.	Name	Category	Number of Meetings during the Year 2021-22	
			Held	Attended
1	Mr. Navin Sunderlal Patwa	Independent Director	1	1
2	Mr. Pramod Kumar Bhawsar	Independent Director	1	1
3	Mrs. Nishtha Neema	Independent Director	1	1

**Terms of References: -**

Terms of reference of committee broadly are as under: -

- 1) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the Directors, key Managerial Personnel and other employees.
- 2) Formulation or criteria for evaluation of Independent Directors of the Board.
- 3) Devising a Policy on Board diversity: and
- 4) Identifying Persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Directors Performance.

**Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business:-**

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criterion for identifying, screening, recruiting

and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

**In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below:-**

Skills and its description	Dinesh Patidar	Sunil Patidar	Ramesh Patidar	Navin Sunderlal Patwa	Pramod Kumar Bhawsar	Keyur Bipinchandra Thaker	Nishtha Neema
<b>Leadership experience of running large enterprise -</b> Experience in leading well-governed large Organisations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.	✓	✓		✓			
Experience of crafting Business Strategies -	✓	✓	✓			✓	
Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.							
Understanding of Consumer and Customer Insights in diverse environments and conditions -	✓	✓	✓	✓	✓		✓
Experience of having managed organizations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.							

Skills and its description	Dinesh Patidar	Sunil Patidar	Ramesh Patidar	Navin Sunderlal Patwa	Pramod Kumar Bhawsar	Keyur Bipinchandra Thaker	Nishtha Neema
Finance and Accounting Experience –	✓			✓	✓	✓	✓
Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.							
Experience in overseeing large and complex Supply Chain –	✓	✓	✓				
Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact.							
Understanding use of Digital / Information Technology across the FMCG value chain –	✓			✓			✓
Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation.							
Experience of large companies and understanding of the changing regulatory landscape-	✓	✓	✓		✓	✓	
Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.							

**Details of Remuneration paid/ payable to the Directors during the Financial Year 2021-22 are as follows: -**

Name	Category	Salary	Perquisites	Amount in ₹
				Sitting fees
Mr. Dinesh Patidar	Executive	9,00,00,000	0	Nil
Mr. Sunil Patidar	Executive	12,00,000	61,500	Nil
Mr. Ramesh Patidar	Executive	44,34,000	1,50,500	Nil
Mr. Navin Sunderlal Patwa	Independent	Nil	Nil	2,50,000
Mrs. Nishtha Neema	Independent	Nil	Nil	2,50,000
Mr. Pramod Kumar Bhawsar	Independent	Nil	Nil	2,50,000
Mr. Keyur Bipinchandra Thaker	Independent	Nil	Nil	2,50,000

**III. Stakeholder Relationship Committee: -**

The Company has constituted Stakeholder Relationship Committee which shall act in accordance with the prescribed provision of Section 178 of the Companies Act, 2013 and inter alia approves transfer/transmission of share, issue of duplicate/dematerialization of shares and consolidation, Splitting of Certificate Redressal of complaints from investors etc.

The committee Comprises of 4 (Four) members namely Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhawsar, Mr. Dinesh Patel and Mrs. Nishtha Neema.

During the financial year ended March 31, 2022, 4 (Four) Meeting were held during the year i.e. May 17, 2021, July 21, 2021, October 19, 2021, and January 18, 2022. and the details are as follows:-

S. No.	Name of Member	Category	Number of Meetings during the Year 2021-22	
			Held	Attended
1	Mr. Navin Sunderlal Patwa	Independent Director	4	4
2	Mr. Pramod Kumar Bhawsar	Independent Director	4	4
3	Mrs. Nishtha Neema	Independent Director	4	4
4	Mr. Dinesh Patel	CFO	4	4



**Terms of Reference: -**

Terms of reference of committee broadly as under: -

- 1) Looks into the Shareholders Complaints like Non-Receipt of Dividend warrants, Non-receipt of Annual reports, Transfer of Shares Issue of Duplicate Share Certificates, Approving Demat Request.
- 2) Oversee the Performance of Share Transfer Agent and recommend measures for overall improvement in the Investor Services.

**IV. Corporate Social Responsibility Committee: -**

The Corporate Social Responsibility (CSR) Committee has been constituted by The Board of Directors of the Company as per Provision of section 135 of Companies Act, 2013 read with Corporate Social responsibility (CSR) rules, 2014.

**Terms of Reference: -**

Terms of reference of committee broadly as under: -

- 1) To formulate and recommend to the Board a Corporate Social responsibility policy which shall indicate the Activities to be undertaken by the Company as specified in the Schedule VI of the Companies Act, 2013.
- 2) To recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) in a financial year.
- 3) To monitor the Corporate Social responsibility policy of the Company from time to time and any other matter/thing as may be considered expedient.

**Composition: -**

The Committee Comprises of 3 (Three) Members. As on end of the financial year company have following members namely

- 1) Mr. Pramod Kumar Bhawsar
- 2) Mr. Navin Sunderlal Patwa
- 3) Mrs. Nishtha Neema

During the financial year ended March 31, 2022, 1 (One) Meeting was held on January 18, 2022, the details are as follows:-

S.No.	Name	Category	Number of Meetings during the Year 2021-22	
			Held	Attended
1	Mr. Pramod Kumar Bhawsar	Independent Director	1	1
2	Mrs. Nishtha Neema	Independent Director	1	1
3	Mr. Navin Sunderlal Patwa	Independent Director	1	1

**V. RISK MANAGEMENT COMMITTEE:**

The Company has constituted Risk Management Committee which shall act in accordance with the prescribed provision of Regulation 21 of SEBI Listing Regulations.

The committee Comprises of 3 (Three) members namely Mr. Dinesh Patidar, Mr. Navin Sunderlal Patwa and Mr. Pramod Kumar Bhawsar.

During the financial year ended March 31, 2022, 2 (Two) Meeting were held on i.e. July 21, 2021 and January 18, 2022 and the details are as follows:-

S.No.	Name	Category	Number of Meetings during the Year 2021-22	
			Held	Attended
1	Mr. Dinesh Patidar	Executive Director	2	2
2	Mr. Navin Sunderlal Patwa	Independent Director	2	2
3	Mr. Pramod Kumar Bhawsar	Independent Director	2	2

**4. GENERAL BODY MEETINGS: -**

The details of last three Annual General Meeting and Extra-Ordinary General Meeting are as follows: -

Year	AGM/EGM	Date of AGM/EGM	Time	Venue
2018-19	AGM	September 27, 2019	12:30 P.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)-454774.
2019-20	AGM	September 29, 2020	12:30 P.M.	through video conferencing ("V.C.") / other Audio Visual means ("OAVM")
2020-21	AGM	September 29, 2021	12:30 P.M.	through video conferencing ("V.C./ other Audio Visual means") "OAVM"

**Special resolutions passed in the last three years General Meetings: -**

**24<sup>th</sup> Annual General Meeting held on September 27, 2019, Two Special Resolution was passed as Special resolution as mentioned hereunder: -**

- i) Re-appointment of Mr. Navin Sunderlal Patwa (DIN:-01009404) as an Independent Director of the Company for a period of 5 (Five) consecutive years, commencing from July 31<sup>st</sup> 2019 to July 30<sup>th</sup> 2024.
- ii) Revision of remuneration of Mr. Dinesh Patidar (DIN: 00549552) Chairman & Managing from 01<sup>st</sup> September 2019 till 31<sup>st</sup> August, 2021.

**25<sup>th</sup> Annual General Meeting held on September 29, 2020, One, Special Resolution was passed as Special resolution as mentioned hereunder: -**

- i) Re-appointment of Mrs. Nishtha Neema (DIN: 01743710) as an Independent Director.

**26<sup>th</sup> Annual General Meeting held on September 29, 2021, One, Special Resolution was passed as Special resolution as mentioned hereunder:**

- i) Re-appointment of Mr. Dinesh Patidar (DIN: 00549552) as Managing Director.
- ii) Re-appointment of Mr. Ramesh Patidar (DIN: 009314317) as Whole Time Director.
- iii) Re-appointment of Mr. Sunil Patidar (DIN: 02561763) as Whole-Time Director.
- iv) Approval of Power to Borrow funds pursuant to the provisions of section 180(1)(c) of the Companies act, 2013, not exceeding ₹ 1000 Crores.
- v) Approval of Power to create charge on the assets of the Company to secure Borrowings up to ₹ 1,000 Crores pursuant to section 180(1)(a) of the Companies act, 2013.

**Postal ballot: -**

During the year 2021-22, under Section 110 of the Companies Act, 2013 read with Companies Management and Administration Rules, 2014, the Company passed the following Resolutions by postal ballot:-

**Special Resolution:**

S. No.	Particulars of Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No.	%	No.
1.	Alteration of the Objects Clause of the Memorandum of Association of the Company	98,62,968	99.60	40,084	0.40	NA
2.	Deletion of the Other Objects Clause of the Memorandum of Association	98,62,840	99.59	40,212	0.41	NA
3.	Amendment of incidental or ancillary objects clause of Memorandum of Association	98,62,840	99.59	40,209	0.41	NA
4.	Adoption of New set of Articles of Association of the Company	98,62,843	99.59	40,209	0.41	NA

**PROCEDURE FOR POSTAL BALLOT:-**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No.22/2020 dated 15<sup>th</sup> June, 2020, General Circular No. 33/2020 dated 28<sup>th</sup> September, 2020, General Circular No. 39/2020 dated 31<sup>st</sup> December, 2020, General Circular No. 10/2021 dated 23<sup>rd</sup> June, 2021 and General Circular No. 20/2021 dated 8<sup>th</sup> December, 2021 (the "MCA Circulars") respectively issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (e-voting) facility to all its Members.

The Notice of Postal Ballot was sent in electronic mode only to all those Members who had registered their e-mail addresses with the Company or Depository Participant/Depository/Adroit Corporate Services Pvt. Ltd. Further, the Members had

the option to vote only through remote e-voting and voting through physical ballot papers was not provided. Further, the Company also published a notice in the newspaper declaring the details of completion of dispatch through electronic mode and giving an opportunity to those Members who have not registered their e-mail IDs for registering their e-mail IDs in order to obtain the electronic copies of the Notice.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date. The scrutiniser completed their scrutiny and submitted the report to the Chairman/Managing Director, and the consolidated results of the voting were announced by the Chairman/Authorised Officer. The results were also displayed on the Company's website [www.shaktipumps.com](http://www.shaktipumps.com) besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

## 5. SUBSIDIARY COMPANIES: -

S.No.	NAME OF COMPANY	RELATION
1	Shakti Pumps USA, LLC	Wholly Owned Subsidiary
2	Shakti Pumps FZE, UAE	Wholly Owned Subsidiary
3	Shakti Pumps (Shanghai) Limited, China	Wholly Owned Subsidiary
4	Shakti Pumps (Bangladesh) Limited	Subsidiary
5	Shakti Energy Solutions Private Limited	Wholly Owned Subsidiary
6	Shakti Green Industries Private Limited	Wholly Owned Subsidiary

### GOVERNANCE OF SUBSIDIARY COMPANIES: -

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report, having a net worth exceeding 20% or 10% of the consolidated net worth or income of 20% or 10% of the consolidated income of your Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

## 6. COMPANY POLICIES

### Vigil Mechanism/ Whistle Blower Policy: -

In Compliance with the provision of Section 177 (9) of the Companies Act, 2013 and regulation 4 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

Your Company has constituted Internal Committees.

Number of Complaints filed during the FY 2021-22	0
Number of Complaints disposed off. during the FY 2021-22	0
Number of Complaints pending as on 31 <sup>st</sup> March, 2022	0

#### Policy on dealing with Related Party Transactions

The Company has not entered into any material related Party transaction during the year. In line with the requirement of companies act 2013 and Listing regulations, your company has formulated a policy on Related Party Transactions which is also available at the Company's website [www.shaktipumps.com](http://www.shaktipumps.com). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions, which are of repetitive nature and/ or entered during the year were in Ordinary Course of business and on Arm's length basis. No Material Related Party Transactions i.e. transactions exceeding ten percent of annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

#### Policy regarding Material subsidiaries: -

The Company does not have any material unlisted Indian Subsidiary Company.

#### Policy on Dividend Distribution

During the year, the Board of Directors had review Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company

## 7. DISCLOSURES :-

#### Disclosure on materially related party transactions: -

All transaction entered into with related Parties as defined under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of Business and at arm length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

#### Disclosure on accounting treatments: -

In the Preparation of financial statements, the company has followed the IND AS referred to in section 133 of the Companies Act, 2013. The Significant accounting policies which are consistently applied have been set out in notes to the financial statements.

#### Risk management: -

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.

#### Details of non-compliances by the Company penalties, strictures imposed on the Company by stock exchanges, SEBI, any other statutory authority on any matter related to the capital market: -

- i) The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges as well as regulations and guidelines of SEBI, No penalties/strictures were imposed against by SEBI and Stock Exchanges any other statutory authority on any matter related to the capital market during last three years.
- ii) 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.
- iii) The Company has also undertaken Secretarial Audit for the financial year 2021-22 which, inter alia, includes audit of compliance with Companies Act and Rules made under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report is annexed with this annual report.

#### Prevention of 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 (Prohibition of Insider Trading) Regulations, 2015. The same has been displayed in the Company's website ([www.shaktipumps.com](http://www.shaktipumps.com)).

#### **Foreign exchange risk and hedging activities: -**

The company has exposure to foreign exchange risk vis-à-vis Total Sales /Purchases of the Company.

The Company has a mechanism in place wherein a dedicated team keeps a close watch on the market behavior and adopts best purchase /sale practices to minimize the effect of price/foreign exchange fluctuation.

The Company has not however undertaken any hedging activities during the year under review.

#### **Disclosure of Pending Cases / Instances of Non-Compliance**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

#### **Secretarial Audit Report**

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

#### **Annual Secretarial Compliance Report**

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

### **8. MEANS OF COMMUNICATIONS: -**

- (i) Quarterly Results: The quarterly, financial results of the Company are published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region i.e. Hindi daily newspaper and are also displayed on the Company's website [www.shaktipumps.com](http://www.shaktipumps.com).
- (ii) News Releases, Presentations, etc.: Official news releases and Official Media Releases are regularly sent on event basis to the Stock Exchanges.
- (iii) Website: the Company's website [www.shaktipumps.com](http://www.shaktipumps.com) contains a separate dedicated section Investor Relations where shareholders information is available. The Annual Report is also available on the website in a user-friendly and downloadable form.

- (iv) 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.
- (v) BSE Corporate Compliance & Listing Centre (the "Listing Center") The Listing Center of BSE is a web based application designed by BSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center.
- (vi) NSE Corporate Compliance & Listing Centre (the "Listing Center"): The Listing Center of NSE is a web based application designed by NSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center NSE.
- (vii) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system.

### **9. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:-

- Shareholders' rights: The quarterly results along with the press release are uploaded on the website of the Company at [www.shaktipumps.com](http://www.shaktipumps.com).
- Audit qualifications: Company's financial statements are unqualified.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

### **10. AFFIRMATION AND DISCLOSURE**

All the Members of the Board have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March, 2022 and a declaration to that effect, signed by the Managing Director, is attached and forms part of this Report.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

## 11. FEES PAID TO AUDITORS

The total fees for all services paid by the Company to M/s. PGS & Associates, Chartered Accountants, Statutory Auditors during the financial year 2021-22 is ₹10.00 Lacs and estimated fees to be paid for the financial year 2022-23 shall be ₹10.00 Lacs.

## 12. DISCLOSURE ON WEBSITE

Following information has been disseminated on the website of the Company at [www.shaktipumps.com](http://www.shaktipumps.com);

1. Details of business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;
4. Code of Conduct for Board of Directors and Senior Management Personnel;
5. Details of establishment of vigil mechanism / Whistle Blower policy;
6. Policy on dealing with Related Party Transactions;
7. Policy for Determining Material Subsidiaries;
8. Details of Familiarization Programmes imparted to Independent Directors;
9. Policy for Determination of Materiality of Events;
10. Policy for Dividend Distribution.

## 13. PLANT LOCATION: -

**Main Unit:-** Plot No. 401, 402 & 413 Sector III, Industrial Area Pithampur Dist. Dhar-454774

**SEZ Address:-** Plot No. F-14 & 15 Phase-I Sector No.3 Special Economic Zone Pithampur Dist. Dhar M.P. 454774

## 14. Credit Rating: -

- a) **INDIA Ratings & Research had given Rating for Bank Facilities credit rating for Fund-based working capital limits of ₹ 260.00 Cr. IND A/Stable/ IIND A1, Non-fund-based working capital limits of ₹ 195.85 Cr. IND A1, Term loan ₹ 1.19 Cr. IND A/Stable.**

## 15. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting to be held** (Day, date, time and venue)

Day	:	Thursday
Date	:	September 29, 2022
Time	:	01:00 P.M.
Venue	:	Annual General Meeting through Video Conferencing /Other Audio Visual Means Facility Deemed Venue for Meeting: Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.).

- **Financial Calendar 2022-23**

Financial Reporting for the Quarter ending June 30 2022:- On or before August 14, 2022.

Financial Reporting for the Quarter ending September 30, 2022:- On or before November 14, 2022.

Financial Reporting for the Quarter ending December 31, 2022:- On or before February 14, 2023.

Financial Reporting for the Quarter ending March 31, 2023:- On or before May 30, 2023.

- **Book Closure Date: -**

From Friday, September 23, 2022, to Thursday, September 29, 2022, (both days inclusive) for the purpose of Annual General Meeting.

- **Unclaimed Dividend: -**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. [www.shaktipumps.com](http://www.shaktipumps.com).

The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2013-14 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at [www.shaktipumps.com](http://www.shaktipumps.com).

• **Listing Details: -**

Company's equity shares are listed on the following stock exchanges. The annual listing fee for the year 2021-22 has been paid to both these stock exchanges.

Name and Address of Stock Exchanges	Stock Code/Symbol
1. BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001	531431
2. National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	SHAKTIPUMP

a. **ISIN Code: - INE908D01010.**

b. **Custodial fee:-** The Company has paid the custodial fee to the NSDL and CDSL for the Financial Year 2022-23.

c. **Corporate Identification Number (CIN): -L29120MP1995PLC009327.**

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

a) **BSE Limited**

Month	Highest	Lowest	Total No. of Shares traded
Apr 21	575.00	475.00	2,56,000
May 21	901.40	526.00	11,53,168
Jun 21	910.00	724.60	8,78,911
Jul 21	876.20	742.05	5,39,622
Aug 21	785.00	638.40	2,16,360
Sep 21	765.00	683.00	1,49,448
Oct 21	833.25	642.15	3,75,034
Nov 21	696.25	548.60	1,86,339
Dec 21	683.00	576.05	2,14,156
Jan 22	711.15	565.00	3,53,511
Feb 22	628.40	480.35	1,52,250
Mar 22	535.00	453.00	3,08,422

b) **National Stock Exchange of India Ltd.**

Month	Highest	Lowest	Total No. of Shares traded
Apr 21	575.00	480.00	20,07,789
May 21	787.80	526.00	1,21,36,904
Jun 21	910.00	712.95	68,68,102
Jul 21	876.00	742.55	49,13,153
Aug 21	786.40	638.05	15,47,500
Sep 21	766.85	683.00	12,34,864
Oct 21	834.00	642.00	37,17,936
Nov 21	696.00	550.80	14,01,533
Dec 21	683.85	576.05	15,16,098
Jan 22	711.10	565.75	35,25,497
Feb 22	630.00	480.00	14,67,351
Mar 22	530.00	454.00	16,90,769

- **Registrar and Transfer agent: -**

**ADROIT CORPORATE SERVICES PVT.LTD.**  
**17-20, Jafferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road,**  
**Marol, Andheri (E), Mumbai-400059 (MH.), India**  
**Phone No.:-(022) 28594060, 28596060 Fax No.- (022) 28503748**  
**Email- [sandeeps@adroitcorporate.com](mailto:sandeeps@adroitcorporate.com)**

- **Share transfer system: -**

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

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1<sup>st</sup> April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24<sup>th</sup> January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated 25<sup>th</sup> January, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request

- **Shareholding as on March 31, 2022: -**

**A. Distribution of Shareholding as on March 31, 2022.**

Range of equity shares held	No. of Shareholders	%	Number of Shares	Face Value per equity shares (in ₹)	% of Shareholding
Up to-5000	41181	96.06	2452681	24526810	13.34
5001-10,000	842	1.96	645090	6450900	3.51
10,001-20,000	427	1.00	633700	6337000	3.45
20,001-30,000	146	0.34	366680	3666800	1.99
30,001-40,000	62	0.14	222094	2220940	1.21
40,001-50,000	40	0.09	184071	1840710	1.00
50,001-1,00,000	75	0.17	541309	5413090	2.95
1,00,000 and Above	95	0.22	13334531	133345310	72.55
<b>Total</b>	<b>42868</b>	<b>100.00</b>	<b>18380156</b>	<b>183801560</b>	<b>100.00</b>

**B. Categories of Shareholding as on March 31, 2022.**

S.N.	Category	Number of Shares holders	% of Shareholders	No. of Shares	% of Shareholding
1	Resident Individuals	41118	95.92	6254941	34.03
2	Non Resident Indians (Individuals)	640	1.49	296578	1.61
3	Corporate Bodies (Promoters)	2	0.01	1480000	8.05
4	Corporate Bodies	204	0.48	1054862	5.74
5	Mutual Funds	1	0.00	11000	0.06
6	Directors (Promoters )	2	0.01	5330300	29.00
7	Directors	1	0.00	76848	0.42
8	Directors Relatives (Promoters)	6	0.01	3266000	17.77
9	Clearing Member	95	0.22	121738	0.66
10	Corporate Body - Broker	1	0.00	280	0.01
11	Foreign Portfolio Investors	17	0.04	81182	0.44
12	Investor Education and Protection Fund	1	0.00	21911	0.12
13	Alternate Investment Fund	1	0.00	3155	0.02
14	Hindu Undivided Family (HUF)	779	1.82	381361	2.07
	<b>Total</b>	<b>42868</b>	<b>100.00</b>	<b>1,83,80,156</b>	<b>100.00</b>



**C. Dematerialization of Shares March 31, 2022.**

S.N.	Mode of Holding	No. of Shareholders	No. of Shares	% age
1	CDSL	28027	6471744	35.21
2	NSDL	14821	11879504	64.63
3	Physical	20	28908	0.16
<b>Total</b>		<b>42868</b>	<b>18380156</b>	<b>100.00</b>

99.84% of the Company's Paid-up Equity Share Capital is dematerialized as on 31<sup>st</sup> March, 2022. Trading in Equity Shares of the Company is permitted only in dematerialized form.

• **Address for correspondence: -**

The Shareholder may address their communication/suggestions/grievances/queries to: -

**The Company Secretary**

Shakti Pumps (India) Limited  
Plot No. 401, 402, 413, Sector III, Industrial Area  
Pithampur Dist. Dhar- M.P.-454774.

Tel:- 7292 410552

Fax:-7292410519

Email:-[cs@shaktipumpsindia.com](mailto:cs@shaktipumpsindia.com)

• **Details of Compliance with mandatory requirements and adoption of non-mandatory requirements: -**

Compliance with Mandatory requirements and adoption of Non-Mandatory requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: -

The company has complied with all mandatory requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Statutory auditor's certificate to this effect has been included in this report SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has also adopted the following non mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a) The internal auditors of the company are directly reporting to the audit committee of the Board.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Shakti Pumps (India) Limited  
CIN: L29120MP1995PLC009327  
Plot No. 401, 402 & 413 Sector III Industrial Area  
Pithampur M.P. 454774

I have examined the following documents: -

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of Shakti Pumps (India) Limited ('the Company') bearing CIN: L29120MP1995PLC009327 and having its Registered Office at Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur M.P. 454774, to the Board of Directors of the Company ('the Board') for the financial year 2021-22. We have considered non-disqualification to include non-debarment.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on my examination of relevant documents made available to me by the Company and such other verifications carried out by me as deemed necessary and adequate, in my opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sunil Manoharlal Patidar	02561763	21/04/1995
2	Mr. Dinesh Patidar	00549552	30/01/2006
3	Mr. Ramesh Patidar	00931437	17/10/2006
4	Mr. Navin Sunderlal Patwa	01009404	18/01/2012
5	Mrs. Nishtha Neema	01743710	28/03/2015
6	Mr. Keyur Bipinchandra Thaker	08474827	11/06/2019
7	Mr. Pramod Kumar Bhawsar	07825119	19/05/2017

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2022.

**For M. Maheshwari & Associates**  
Company Secretaries  
Firms U.C.N. I2001MP213000

**Manish Maheshwari**  
Proprietor  
FCS-5174  
CP-3860

UDIN : F005174D000598241

Date : 11<sup>th</sup> July 2022  
Place : Indore

## CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Certificate regarding compliance of conditions of Corporate Governance  
{Under Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015}

To,  
The Members,  
**SHAKTI PUMPS (INDIA) LIMITED**  
CIN: L29120MP1995PLC009327  
Plot No. 401, 402 & 413 Sector III Industrial Area  
Pithampur, (M.P.) - 454774

**Dear Sir(s)/Madam,**

I have examined the compliance of the conditions of Corporate Governance by **SHAKTI PUMPS (INDIA) LIMITED** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

I 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 M. Maheshwari & Associates**  
**Company Secretaries**  
**Firms U.C.N. I2001MP213000**

**Manish Maheshwari**  
**Proprietor**  
**FCS-5174**  
**CP-3860**

UDIN : F005174D000598241

Date : 11<sup>th</sup> July 2022

Place : Indore

## CERTIFICATION BY MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the CEO/ CFO Certificate as per the format specified In Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

To,  
**Shakti Pumps (India) Limited**  
**Plot No. 401, 402, & 413, Sector III, Industrial Area**  
**Pithampur M.P.-454775**

**Date: 02.05.2022**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SHAKTI PUMPS (INDIA) LIMITED, to the best of our knowledge and belief certifies that:-

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief;
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing IND AS, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e) We have indicated, to the Auditors and the Audit Committee: -
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully,

**For Shakti Pumps (India) Limited**  
**Dinesh Patidar**  
**Managing Director**  
**(DIN: -00549552)**

**For Shakti Pumps (India) Limited**  
**Dinesh Patel**  
**Chief Financial Officer**

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## DECLARATION OF CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its member and senior management personnel of the Company and the same has also been posted on the Company's website. It is further confirmed that All the Director and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2022, as envisaged under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**Date: 02.05.2022**  
**Place: Pithampur**

**Dinesh Patidar**  
**Managing Director**

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/  
UNCLAIMED SUSPENSE ACCOUNT PURSUANT TO REGULATION 34 (3)  
READ WITH SCHEDULE V (F) OF THE SEBI(LISTING OBLIGATIONS &  
DISCLOSURE REQUIREMENT) REGULATION, 2015**

Particulars	Number of Shareholders	No. of Shares held by them
Detail of shareholders as on 01.04.2021	NIL	NIL
Shareholders who approached during the year for transfer of shares (including Those Shareholders whose shares transferred to IEPF Account)	NIL	NIL
Shareholders to whom shares are transferred during the year (including Those Shareholders whose shares transferred to IEPF Account)	NIL	NIL
Detail of shareholders as on 31.03.2022	NIL	NIL

Further the voting rights on above mentioned shares are frozen till the rightful owner claims the shares

Place: Pithampur

**Dinesh Patidar**  
Managing Director

# Independent Auditors' Report

To the Members of

**SHAKTI PUMPS (INDIA) LIMITED**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying Standalone Financial Statements of Shakti Pumps (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32 to the Standalone Financial Statements</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p>

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to that Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, consolidated financial statement and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of an identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 32 of financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a) The management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
  - v. The final dividend paid by the Company during the year in respect of the previous year is in accordance with Section 123 of the Act to the extent it applies to



payment of dividend.

- b) As stated in the note 30 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to the declaration of dividend.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

**For PGS & Associates**

Chartered Accountants

Firm Registration Number: 122384W

UDIN: 22111592AIGLFV1137

**Premal Gandhi**

Partner

Membership Number: 111592

Place: Mumbai

Date: May, 02, 2022

## Annexure- A to the Independent Auditors' Report

The Annexure A referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the financial statements for the year ended 31 March 2022.

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Annexure- A to the Independent Auditors' Report on the Ind AS Financial Statements (continued)

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **For PGS & Associates**

Chartered Accountants

Firm Registration Number: 122384W

**UDIN:** 22111592AIGLFV1137

#### **Premal Gandhi**

Partner

Membership Number: 111592

Place: Mumbai

Date: May 02, 2022

## Annexure- B to the Independent Auditors' Report on the Ind AS Financial Statements

The Annexure-B referred to in the Independent Auditors' Report of even date to the Members of Shakti Pumps (India) Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The company has a programme of physical verification of its Property, Plant and Equipment, so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program Property, Plant and Equipment which were due for verification during the year were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II.(a) The physical verification of inventory except goods-in-transit has been verified by the management during the year. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt in the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to

the information and explanations given to us, the quarterly statements comprising stock details and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarter and no material discrepancies have been observed.

III. a) The Company has provided loans during the year and details of which are given below

	Loans
Aggregate amount granted/provided during the year to subsidiaries	42.25
Balance outstanding as at balance sheet date	Nil

- b) The guarantees provided, security given, and the terms and conditions of the grant of all the above-mentioned loans and guarantee provided, during the year are, in our opinion prima facie, not prejudicial to the Company' interest, as applicable.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date. There are no advances in the nature of loan provided.
- e) According to information and explanations given to us and based on the audit procedures performed, the Company has granted loans or advances in the nature of loans to subsidiary Shakti Green Industries Pvt. Ltd. (newly incorporated subsidiary) repayable on demand however loan is squared off at the end of financial year.

IV. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable

V. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.

VI. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the

maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. In respect of statutory dues:

- a) In our opinion, the company has been generally regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other material statutory dues in arrears as of March 31, 2022 for a period of more than six months from the date they became payable:
- b) Details of statutory dues referred to above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Dues	Period in which the amount relates (FY)	Amount Involved (Rs. Lacs)	Unpaid (Rs. Lacs)	Forum where the Dispute is Pending
ET	2010-11	7.39	7.39	Hon'ble M.P. High Court, Indore Br.
CST	2010-11	0.91	0.12	MP Comm. Tax Appellate Board, Bhopal
VAT	2012-13	8.51	2.65	MP Comm. Tax Appellate Board, Bhopal
CST	2014-15	9.99	7.49	Appellate Authority Comm Tax, Indore
CST	2015-16	16.61	12.41	Appellate Authority Comm Tax, Indore
VAT	2016-17	26.1	18.1	Appellate Authority Comm Tax, Indore
CST	2016-17	4.07	2.71	Appellate Authority Comm Tax, Indore
DRI	2018-20	280.86	252.77	Hon'ble Commissioner Appeal
DRI & Custom Duty	2014-18	483.14	328.56	CESTAT, Mumbai
DRI & Custom Duty	2014-18	623.44	259.99	CESTAT, New Delhi
Income Tax	2009-10 to 2011-12	1,484.77	1,484.77	ITAT, Indore Bench
Income Tax	2012-13 to 2015-16	2,274.07	2,274.07	ITAT, Indore Bench
Income Tax	2016-17	124.7	100.12	CIT Appeal Indore

- VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- IX. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year,
- b) The company is not a declared wilful defaulter by any bank or financial institution or other lender,
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (IX)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- X. a) No moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year hence reporting under this clause is not applicable to Company;
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or operationally convertible) during the year.
- XI. (a) No fraud by the Company and no material fraud on the company has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xiii) of the Order is not applicable.
- XIII. The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties.
- XIV. (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- (b) We have considered report of the internal auditors for the period under audit; issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- XV. The Company has not entered into non-cash transactions with the directors or persons connected with its directors. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- XVII. The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- XVIII. There has been no resignation of the statutory auditors of the Company during the year;
- XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- XX. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) on other than ongoing projects and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the provision of sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.
- (b) The Company do not have any ongoing project in respect to Corporate Social Responsibility (CSR), so clause XX(b) is not applicable.

**For PGS & Associates**  
Chartered Accountants  
Firm Registration Number: 122384W  
UDIN: 22111592AIGLFV1137

**Premal Gandhi**  
Partner  
Membership Number: 111592

Place: Mumbai  
Date: May 02, 2022

# Standalone Balance Sheet

## As At March 31, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	11,607.14	11,943.04
(b) Capital Work-In-Progress	3	49.53	57.92
(c) Intangible Assets	4	463.09	421.88
(d) Intangible Assets Under Development	4	10.89	18.01
(e) Financial Assets	5		
(i) Investments	5.1	1,944.97	1,893.97
(ii) Other Financial Assets	5.2	243.79	247.17
(f) Non-Current Tax Assets (Net)	6	24.58	1,734.43
(g) Other Non-Current Assets	7	196.05	156.79
<b>Total Non-Current Assets</b>		<b>14,540.04</b>	<b>16,473.21</b>
<b>2 Current Assets</b>			
(a) Inventories	8	19,285.58	11,655.04
(b) Financial Assets	9		
(i) Trade Receivables	9.1	36,188.59	24,993.75
(ii) Cash and Cash Equivalents	9.2	2,821.40	1,630.38
(iii) Bank Balance Other than Above	9.3	1,168.99	1,968.89
(iv) Other Financial Assets	9.4	349.68	377.48
(c) Current Tax Assets (Net)	10	58.30	-
(d) Other Current Assets	11	5,978.15	5,452.93
<b>Total Current Assets</b>		<b>65,850.69</b>	<b>46,078.47</b>
<b>Total Assets</b>		<b>80,390.73</b>	<b>62,551.68</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	32,431.75	28,370.99
<b>Total Equity</b>		<b>34,269.77</b>	<b>30,209.01</b>
<b>Liabilities</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	487.87	989.16
(ii) Lease Liability	14.2	43.43	43.75
(b) Provisions	15	572.24	563.06
(c) Deferred Tax Liabilities (Net)	16	525.48	1,136.83
<b>Total Non-Current Liabilities</b>		<b>1,629.02</b>	<b>2,732.80</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	9,300.75	5,710.12
(ii) Lease Liability	17.2	5.49	5.49
(iii) Trade Payables	17.3		
- Dues of Micro and Small Enterprise		5,879.67	5,751.60
- Dues of Other than Micro and Small Enterprise		22,604.44	12,956.20
(iv) Other Financial Liabilities	17.4	4,927.58	3,826.67
(b) Provisions	18	37.89	17.03
(c) Other Current Liabilities	19	1,736.12	1,281.38
(d) Current Tax Liabilities (Net)	20	-	61.38
<b>Total Current Liabilities</b>		<b>44,491.94</b>	<b>29,609.87</b>
<b>Total Equity And Liabilities</b>		<b>80,390.73</b>	<b>62,551.68</b>
Company Overview, Basis of preparation and Significant Accounting Policies	1 to 2		
The accompanying notes are an integral part of the Financial Statements	3 to 41		

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGLFV1137

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

Place: Pithampur  
Date: May 02, 2022

# Standalone Statement of Profit & Loss

## For The Year Ended March 31, 2022

(₹ in Lacs - unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>I</b> Revenue from Operations	21	1,12,405.82	88,698.55
<b>II</b> Other Income	22	1,063.27	330.50
<b>III Total Income (I+II)</b>		<b>1,13,469.09</b>	<b>89,029.05</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	23	92,564.95	62,549.38
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	(4,145.46)	2,011.16
Employee Benefits Expenses	25	4,936.16	4,105.03
Finance Costs	26	1,357.27	1,403.90
Depreciation and Amortisation Expense	27	1,734.29	1,702.95
Other Expenses	28	10,154.76	7,935.63
<b>Total Expenses (IV)</b>		<b>1,06,601.97</b>	<b>79,708.05</b>
<b>V Profit/(loss) before Exceptional Items and Tax (III-IV)</b>		<b>6,867.12</b>	<b>9,321.00</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/ (loss) before Tax(V-VI)</b>		<b>6,867.12</b>	<b>9,321.00</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax		1,922.86	2,202.95
(2) Excess/Short Provision of Tax		(3.78)	-
(3) Deferred Tax		(611.36)	1,001.08
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>5,559.40</b>	<b>6,116.97</b>
<b>X Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(loss) on defined benefit plans		(37.71)	71.37
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.49	(24.70)
(B) (i) Items that will be reclassified to profit or loss			
Unrealised exchange gain/(loss)		-	-
<b>Total Comprehensive Income for the year (X)</b>		<b>(28.22)</b>	<b>46.67</b>
<b>XI Total Comprehensive Income /Loss for the year (IX+X)</b>		<b>5,531.18</b>	<b>6,163.64</b>
<b>XII Earnings per equity share [nominal value of share ₹ 10/-]</b>	29		
(1) Basic		30.25	33.28
(2) Diluted		30.25	33.28

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGLFV1137

Place: Pithampur  
Date: May 02, 2022

Shakti Pumps (India) Limited

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328



# Standalone Cash Flow Statement

## For The Year Ended March 31, 2022

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit & loss before tax as per profit & Loss Account	6,867.12	9,321.00
Adjusted For :		
Depreciation and Amortisation Expense	1,734.29	1,702.95
Interest Income	(307.70)	(150.85)
Dividend Income	(453.58)	-
Interest Expenses	995.56	1,090.41
Provision for Doubtful Debts/ Security Deposits	75.73	61.25
Re-measurement (gains) / loss on defined benefit plans	(37.71)	71.37
Unrealised Exchange (gains)/loss (net)	(12.86)	(10.18)
(Profit) /Loss on Investment in subsidiary (net)	-	20.26
(Profit) /Loss on sale of property, plant and equipment (net)	2.57	2.67
	1,996.28	2,787.88
<b>Operating Profit Before Working Capital Changes</b>	<b>8,863.40</b>	<b>12,108.87</b>
Adjusted For :		
(Increase)/Decrease in Trade and Other Receivables	(11,693.23)	(14,031.12)
(Increase)/Decrease in Inventories	(7,630.54)	1,213.96
Increase/(Decrease) in Trade and other payables	11,295.97	16,027.78
	(8,027.81)	3,210.62
<b>Net Cash Flow From Operating Activities</b>	<b>835.59</b>	<b>15,319.49</b>
Income taxes (paid)/refund (net)	(319.41)	(2,156.38)
	(319.41)	(2,156.38)
<b>Net Cash Flow From/(Used In) Operating Activities (A)</b>	<b>516.18</b>	<b>13,163.11</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(1,647.87)	(1,199.96)
Purchase of Intangible Assets	(66.68)	(58.96)
Sale of Fixed Assets	279.50	58.48
Movement in Capital Work-in-Progress	8.39	(11.95)
Movement in Advance for Capital Goods	(11.17)	0.73
Disinvestment/(Investment) in Subsidiaries	(51.00)	97.56
Interest Received	272.86	75.52
Dividend Received	453.58	-
(Deposits)/Redemption with banks	799.90	1,198.66
<b>Net Cash Flow From/(Used In) Investing Activities (B)</b>	<b>37.52</b>	<b>160.07</b>

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(1,199.92)	(477.44)
Proceeds/(Repayment) from Short Term Borrowings ( Net )	4,289.26	(10,593.15)
Dividend Paid including tax thereon	(1,470.41)	-
Interest Paid	(981.61)	(1,083.39)
<b>Net Cash Flow From/(Used In) Financing Activities ( C )</b>	<b>637.32</b>	<b>(12,153.98)</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,191.02</b>	<b>1,169.21</b>
Cash & Cash Equivalents at the beginning of the year	1,630.38	461.17
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>2,821.40</b>	<b>1,630.38</b>

Note :

- Figures in brackets represent Cash Outflow.
- Cash and Cash Equivalents comprise of :

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in Hand	1.92	3.34
Balance with Scheduled Banks	1,911.72	44.09
Fixed Deposit with Maturity Less than three months	907.76	1,582.95
<b>Total</b>	<b>2,821.40</b>	<b>1,630.38</b>

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

**Premal Gandhi**  
Partner  
M.No.111592  
UDIN: 22111592AIGLFV1137

Place: Pithampur  
Date: May 02, 2022

**For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited**

**Dinesh Patidar**  
Chairman and Managing Director  
DIN:00549552

**Ramesh Patidar**  
Executive Director  
DIN:00931437

**Dinesh Patel**  
Chief Financial Officer

**Ravi Patidar**  
Company Secretary  
M. No. ACS 32328

# Standalone Statement of Changes in Equity

## For The Year Ended March 31, 2022

### A Equity share capital

(₹ in Lacs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Face value (INR)	Rs. in Lacs	Number of shares	Face value	Rs. in Lacs
Balance as at beginning of the year	18,380,156	10.00	1,838.02	18,380,156	10.00	1,838.02
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	18,380,156	10.00	1,838.02	18,380,156	10.00	1,838.02
Changes during the current year	-	-	-	-	-	-
Balance at the end of the year	18,380,156	10.00	1,838.02	18,380,156	10.00	1,838.02

### B Other Equity

(₹ In Lacs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve		
Balance as at April 1, 2020	20.58	8,797.82	3,721.41	9,752.49	(84.94)	22,207.37
Profit /(Loss) for the year	-	-	6,116.97	-	-	6,116.97
Remeasurement Gain/(Loss)	-	-	-	-	46.67	46.67
Unrealised Gain/(Loss)	-	-	-	-	-	-
Balance as at March 31, 2021	20.58	8,797.82	9,838.38	9,752.49	(38.27)	28,370.99
Profit /(Loss) for the year	-	-	5,559.40	-	-	5,559.40
Dividend paid including tax thereon	-	-	(1,470.41)	-	-	(1,470.41)
Remeasurement Gain/(Loss)	-	-	-	-	(28.22)	(28.22)
Unrealised Gain/(Loss)	-	-	-	-	-	-
Balance as at March 31, 2022	20.58	8,797.82	13,927.36	9,752.49	(66.49)	32,431.75

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGLFV1137

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Place: Pithampur  
Date: May 02, 2022

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

# Notes to the Standalone Financial Statements

## For The Year Ended March 31, 2022

### 1. Corporate Information:

Shakti Pumps India Limited ("SPIL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. SPIL is engaged in manufacturing of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps etc.

### 2. Basis of preparation of financial statements and significant accounting policies:

#### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

#### 2.2 Basis of Measurement

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

The statement of cash flows has been prepared under indirect method.

#### 2.3 Use of judgments, estimates and assumptions

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

#### 2.4 Property, plant and equipment

##### Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

##### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

##### Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

##### Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013 except in the cases mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

## 2.5 Intangible assets

### Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

### Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation is not recorded on intangible assets under development until development is complete and the asset is ready for its intended use.

**The intangible asset are amortised over the estimated useful lives as given below: -**

- Computer Software : 15 years

## 2.6 Inventories

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Inventories of Finished Goods and Work-In-Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 2.7 Research and Development Expenditure

Revenue expenditure on research & development is charged to the Statement of Profit and Loss of the year in which it is incurred.

Capital expenditure incurred during the period on research & development is accounted for as an addition to property, plant & equipment.

## 2.8 Foreign currencies transactions

### Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange

differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

## 2.9 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the year in which they are incurred.

## 2.10 Current and Non-Current Classification

All assets and liabilities are classified into current and non-current.

### Assets

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

- It is expected to be realised in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

### Liabilities

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### 2.11 Investment

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

### 2.12 Employee benefits

#### Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognised in the period in which the employee renders the related service.

#### 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 recognise as employee benefit expense when they are due.

### 2.13 Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the

economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

### 2.14 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expenses are recognised in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI).

#### Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets/liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets (if any) are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets/liabilities are reviewed at each balance sheet date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

## 2.15 Provisions

A Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## 2.16 Financial Instruments:

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

### (a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

- **Financial assets at amortised cost:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
- **Financial assets at fair value through other comprehensive income:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss:** At the date of initial recognition, financial assets are held for trading, or which

are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in Equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

### (b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- **Financial liabilities at amortised cost:** After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.
- **Financial liabilities at fair value through profit or loss:** which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

## 2.17 Revenue Recognition

The Company derives revenues primarily from business of Sales of pumps and motors.

As per Ind AS 115 revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted

net of returns, allowances, trade discounts and volume discounts and GST etc.

Dividend and interest income is recorded when the right to receive payment is established.

#### **2.18 Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

#### **2.19 Segment Reporting**

SPIL is mainly engaged in the business of manufacturing of various types of Pumps & Motors. Operating segments are reporting in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM).

The Board of Directors of the group assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors which are identified as a CODM, consist of CMD, CFO & all other executive Directors.

Considering the nature of business & financial reporting of SPIL, 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

#### **2.20 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



## NON-CURRENT ASSETS

## 3 PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	Other than Research and Development					Research and Development					Right of use Asset- Leases	Total	Capital Work- In- Progress			
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools				Computers	Furniture & Fixtures	Office Equipment
<b>Gross Carrying Amount</b>																
As at March 31, 2020	178.38	3,650.90	7,885.94	9,289.12	669.83	624.97	238.34	585.47	49.16	241.04	29.15	3.44	36.48	56.34	23,538.57	45.97
Additions	-	5.14	500.84	539.11	12.48	30.11	0.02	31.17	-	26.72	0.20	-	50.51	-	1,196.30	11.95
Sales/Disposals/ Adjustments	-	0.11	108.96	1.51	37.03	0.02	-	0.02	-	0.12	-	-	0.11	-	147.88	-
As at March 31, 2021	178.38	3,655.93	8,277.82	9,826.72	645.28	655.07	238.36	616.62	49.16	267.64	29.35	3.44	86.89	56.34	24,586.99	57.92
Additions	-	62.78	478.12	932.25	18.48	15.78	7.89	42.91	2.49	85.23	1.51	-	24.68	0.35	1,672.47	37.03
Sales/Disposals/ Adjustments	-	-	184.83	286.71	3.08	4.11	79.38	(1.77)	-	-	-	0.16	-	-	556.49	45.42
As at March 31, 2022	178.38	3,718.71	8,571.11	10,472.26	660.68	666.73	166.87	661.30	51.66	352.87	30.85	3.28	111.57	56.69	25,702.96	49.53
<b>Accumulated Depreciation</b>																
As at March 31, 2020	-	729.69	3,562.72	5,549.52	482.69	356.08	108.95	226.69	3.89	32.61	3.55	0.37	5.03	0.94	11,062.74	-
Charge for the Year	-	94.85	487.22	856.16	64.45	48.95	22.40	53.83	3.11	29.83	4.64	0.33	3.96	1.88	1,671.60	-
Sales/Disposals/ Adjustments	-	-	49.20	1.40	38.80	0.18	-	0.87	-	-	-	-	-	-	90.48	-
As at March 31, 2021	-	824.55	4,000.74	6,404.28	508.34	404.84	131.41	279.64	7.00	62.46	8.19	0.69	8.99	2.81	12,643.95	-
Charge for the Year	-	94.57	513.13	849.63	60.86	48.41	22.20	55.70	3.19	37.88	4.90	0.33	9.03	1.88	1,701.70	-
Sales/Disposals/ Adjustments	-	(0.17)	68.60	109.77	2.40	1.10	68.12	(0.03)	-	-	-	0.04	-	-	249.83	-
As at March 31, 2022	-	919.28	4,445.27	7,144.14	566.80	452.15	85.49	335.38	10.20	100.34	13.09	0.98	18.02	4.69	14,095.82	-
<b>Net Block Value</b>																
As at March 31, 2021	178.38	2,831.38	4,277.08	3,422.44	136.94	250.23	106.95	336.98	42.16	205.17	21.16	2.75	77.90	53.53	11,943.04	57.92
As at March 31, 2022	178.38	2,799.43	4,125.83	3,328.12	93.88	214.58	81.39	325.92	41.46	252.53	17.77	2.31	93.55	52.00	11,607.14	49.53

A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.

B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No.14.1 & 17.1

C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 152.39 Lacs as at 31st March, 2022 (₹ 164.90 Lacs as at 31st March, 2021).

D. The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.

E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment.(Refer accounting policies 2.7)

F. Title Deed of Immovable Property: The Company does not hold any immovable property which is not in the name of the Company.

G. Revaluation of Property: The Company has not revalued its property, plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

## 4 INTANGIBLE ASSETS &amp; INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lacs)

Particulars	Computer Software	Intangible Assets Under Development
<b>Gross Carrying Amount</b>		
<b>As at March 31, 2020</b>	<b>422.43</b>	<b>23.53</b>
Additions	58.40	0.43
Capitalised during the year	-	(5.96)
Sales/Disposals/Adjustments	(41.53)	-
<b>As at March 31, 2021</b>	<b>522.36</b>	<b>18.01</b>
Additions	73.80	2.23
Capitalised during the year	-	(9.34)
Sales/Disposals/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>596.15</b>	<b>10.89</b>
<b>Accumulated Amortisation</b>		
<b>As at March 31, 2020</b>	<b>33.70</b>	<b>-</b>
Charge for the Year	31.35	-
Disposals/Adjustments	(35.44)	-
<b>As at March 31, 2021</b>	<b>100.48</b>	<b>-</b>
Charge for the Year	32.58	-
Disposals/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>133.07</b>	<b>-</b>
<b>Net Block Value</b>		
<b>As at March 31, 2021</b>	<b>421.88</b>	<b>18.01</b>
<b>As at March 31, 2022</b>	<b>463.09</b>	<b>10.89</b>

## (a) Capital Work-in-progress (CWIP) Ageing Schedule : Projects in progress (₹ In Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	-	2.08
1-2 years	2.08	42.91
2-3 years	-	12.93
More than 3 years	47.45	-
<b>Total</b>	<b>49.53</b>	<b>57.92</b>

## (b) Intangible Asset Under Development (IAUD) Ageing Schedule : Projects in progress (₹ In Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	2.25	0.43
1-2 years	-	12.37
2-3 years	6.04	5.20
More than 3 years	2.60	-
<b>Total</b>	<b>10.89</b>	<b>18.01</b>

## 5 Financial Assets

### 5.1 Investments (At Cost) (Unquoted fully paid-up unless otherwise stated)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments in Subsidiaries :</b>		
(i) Equity Instrument of Subsidiaries	1,944.95	1,893.95
<b>Investments in Others :</b>		
(i) Equity Instrument of Others ( in Cosmos Bank )	0.02	0.02
<b>Total</b>	<b>1,944.97</b>	<b>1,893.97</b>

#### (a) Equity Instrument of Subsidiaries

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
19,95,761 Shares of Shakti Energy Solution Pvt Ltd. (₹ 10 each) (As at March 31, 2021, 19,95,761 shares)	1,649.89	1,649.89
5,10,000 Shares of Shakti Green Industries Pvt Ltd (₹ 10 each) (As at March 31, 2021, Nil) (Refer point 1)	51.00	-
6 Shares of Shakti Pumps FZE (AED 1,50,000 each) (As at March 31, 2021, 6 shares)	156.56	156.56
65,000 Shares of Shakti Pumps USA LLC (USD 1 each) (As at March 31, 2021, 65,000 shares)	33.32	33.32
41,000 Shares of Shakti Pumps (Bangladesh) Limited (Taka 100 each) (As at March 31, 2021, 41,000 shares)	37.27	37.27
Investment in Shakti Pumps (Shanghai) Limited	16.92	16.92
<b>Total</b>	<b>1,944.95</b>	<b>1,893.95</b>

#### Note:

- During the current year, The company has incorporated wholly owned subsidiary i.e (Shakti Green Industries Pvt Ltd) on 16th December, 2021 and made investment of ₹ 51 Lacs ( 5,10,000 shares @Rs10 each ). Out of total 5,10,000 shares allotment on 5,00,000 shares pending as on 31 March 2022.
- In the previous year, The Company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective date of closure is 15th March, 2021 and recognised related loss of ₹20.26 lacs.
- Fair Valuation of Investment Property:** The Company has not done fair market valuation of its investment property during the year.
- Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

### 5.2 Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Security Deposits	286.52	289.91
Less: Provision for Doubtful Deposits	(42.74)	(42.74)
<b>Total</b>	<b>243.79</b>	<b>247.17</b>

**6 Non-Current Tax Assets (Net)**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	24.58	1,734.43
<b>Total</b>	<b>24.58</b>	<b>1,734.43</b>

**7 Other Non-Current Assets**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
(i) Capital Advances	32.39	21.22
(ii) Balances with Government Authorities	444.15	416.06
Less: Provision for Doubtful Assets	(280.49)	(280.49)
<b>Total</b>	<b>196.05</b>	<b>156.79</b>

**(a) Loans and Advances to Promoters, Directors, KMP's and Related Parties.**

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

**Repayable on demand**

(₹ in Lacs)

Type of Borrower	As at March 31, 2021	During the year		As at March 31, 2022
		Given	Recoverd	
<b>Related Parties</b>				
Shakti Green Industries Pvt. Ltd.	-	42.25	42.25	-

**CURRENT ASSETS****8 Inventories**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Raw Material	8,630.62	5,052.65
(ii) Packing Material & Consumables	84.31	175.27
(iii) Work In Process	3,803.61	2,887.23
(iv) Finished Goods	6,391.39	3,162.31
(v) Stock in Transit	375.66	377.59
<b>Total</b>	<b>19,285.58</b>	<b>11,655.04</b>

**Notes:**

- Inventories are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- Valued at lower of cost and Net Realisable value unless otherwise stated (Refer accounting policies)

## 9 Financial Assets

### 9.1 Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, at amortised cost)</b>		
(i) Considered good	36,188.59	24,993.75
(ii) Considered doubtful	103.24	27.51
Less : Provision for expected credit Loss	(103.24)	(27.51)
<b>Total</b>	<b>36,188.59</b>	<b>24,993.75</b>

#### Notes:

- 1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Trade receivables are usually non-interest bearing and are on trade terms of 30 to 180 days.
- 3 Related party transactions & balance {Refer note no. 38}

#### (a) Trade Receivable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2022

(₹ in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	2,514.52	-	-	-	2,514.52
less than 6 months	29,517.70	-	-	-	29,517.70
6 months - 1 year	2,170.39	-	-	-	2,170.39
1-2 year	926.41	5.05	103.24	-	1,034.70
2-3 year	546.00	0.19	-	-	546.19
> 3 years	484.83	23.50	-	-	508.33
<b>Total</b>	<b>36,159.86</b>	<b>28.73</b>	<b>103.24</b>	<b>-</b>	<b>36,291.83</b>

#### (b) Trade Receivable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2021

(₹ in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	1,735.59	-	-	-	1,735.59
less than 6 months	19,393.45	-	-	-	19,393.45
6 months - 1 year	1,923.61	-	-	-	1,923.61
1-2 year	1,048.44	5.05	27.51	-	1,081.00
2-3 year	576.46	0.19	-	-	576.65
> 3 years	287.47	23.50	-	-	310.97
<b>Total</b>	<b>24,965.02</b>	<b>28.73</b>	<b>27.51</b>	<b>-</b>	<b>25,021.26</b>

## 9.2 Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Cash in Hand	1.92	3.34
(ii) Balance with Scheduled Banks :		
(a) In Current Accounts	1,911.72	44.09
(b) Fixed Deposit with Maturity less than 3 Months	907.76	1,582.95
<b>Total</b>	<b>2,821.40</b>	<b>1,630.38</b>

## 9.3 Other Bank Balances

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In Fixed Deposit Accounts	1,150.67	1,951.52
(ii) Unclaimed Dividend	18.32	17.37
<b>Total</b>	<b>1,168.99</b>	<b>1,968.89</b>

## Notes:

- Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.
- The Company can utilise the balance of unclaimed dividend towards settlement of unclaimed dividend.

## 9.4 Others Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured- considered good)</b>		
(i) Security Deposits	209.40	272.03
(ii) Interest Receivable on Fixed Deposits with Bank	140.29	105.45
<b>Total</b>	<b>349.68</b>	<b>377.48</b>

## 10 Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	58.30	-
<b>Total</b>	<b>58.30</b>	<b>-</b>

## 11 Other Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured- considered good)</b>		
(i) Prepaid Expenses	723.13	310.63
(ii) Advance to Suppliers	211.84	275.12
(iii) Statutory and Other Receivables	5,043.18	4,867.19
<b>Total</b>	<b>5,978.15</b>	<b>5,452.93</b>

## EQUITY

### 12 Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b>				
Equity Shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
15 % Compulsory Convertible Preference Shares of ₹100/- each	15,00,000	1,500.00	15,00,000	1,500.00
<b>Total</b>	<b>2,65,00,000</b>	<b>4,000.00</b>	<b>2,65,00,000</b>	<b>4,000.00</b>
<b>Issued &amp; Subscribed :</b>				
Equity shares of ₹10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
<b>Total</b>	<b>1,85,60,356</b>	<b>1,856.04</b>	<b>1,85,60,356</b>	<b>1,856.04</b>
<b>Paid Up Capital :</b>				
Equity Shares of ₹10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
<b>Total</b>	<b>1,83,80,156</b>	<b>1,838.02</b>	<b>1,83,80,156</b>	<b>1,838.02</b>

#### 12.1 Terms/rights attached to the equity shares :

- (i) The Company has only one class of equity shares having a par value of ₹ 10/- per share.
- (ii) Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- (iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

#### 12.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

##### (a) Equity Shares :

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	1,838.02
Add: Additional equity shares issued during the year	-	-	-	-
Less: Equity shares forfeited/bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>1,83,80,156</b>	<b>1,838.02</b>	<b>1,83,80,156</b>	<b>1,838.02</b>

**12.4 The details of shareholders holding more than 5% Shares :**

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
(i) Mr. Dinesh Patidar	37,68,100	20.50%	37,68,100	20.50%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
(iii) Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	9,32,000	5.07%

**12.5 Shareholding of Promoters****(a) Shares held by promoters at March 31, 2022**

Name of the Promoter	No. of Shares	% of total shares	% change 2021-22
(i) Mr. Dinesh Patidar	37,68,100	20.50%	-
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	-
(v) Vintex Tools Private Limited	5,48,000	2.98%	5.59%
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
<b>Total</b>	<b>1,00,76,300</b>	<b>54.82%</b>	
Total No of Shares issued and Subscribed	1,83,80,156		

**(b) Shares held by promoters at March 31, 2021**

Name of the Promoter	No. of Shares	% of total shares	% change 2020-21
(i) Mr. Dinesh Patidar	37,68,100	20.50%	2.26%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	100%
(v) Vintex Tools Private Limited	5,18,994	2.82%	-
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
<b>Total</b>	<b>1,00,47,294</b>	<b>54.66%</b>	
Total No of Shares issued and Subscribed	1,83,80,156		



## 13 Other Equity

(₹ in Lacs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve		
Balance as at April 1, 2020	20.58	8,797.82	3,721.41	9,752.49	(84.94)	22,207.37
Add/(Less):						
Appropriations/Adjustments :						
Profit /(Loss) for the year	-	-	6,116.97	-	-	6,116.97
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	-	46.67	46.67
Balance as at March 31, 2021	20.58	8,797.82	9,838.38	9,752.49	(38.27)	28,370.99
Add/(Less):						
Appropriations/Adjustments :						
Profit /(Loss) for the year	-	-	5,559.40	-	-	5,559.40
Dividend & Dividend Tax	-	-	(1,470.41)	-	-	(1,470.41)
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	-	(28.22)	(28.22)
Balance as at March 31, 2022	20.58	8,797.82	13,927.36	9,752.49	(66.49)	32,431.75

### Note:

- Capital reserve:** The reserve will be utilised in accordance with the provisions of the Act.
- Securities premium:** Securities premium is credited when shares are issued at premium. This will be utilised in accordance with the provisions of the Act.
- Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Other Comprehensive Income :** The Other Comprehensive Income is created by way of Re-measurement gains/(loss) on defined benefit plans, Unrealised exchange gain/(loss) and tax there on. This reserve is utilised in accordance with the provisions of the Act.

## NON-CURRENT LIABILITIES

### 14 Financial Liabilities

#### 14.1 Non Current Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Term Loans:</b>		
(i) Term loan from Bank		
Rupee Loan	256.29	702.68
Foreign Currency Loan	732.87	977.87
<b>Other:</b>		
(ii) Vehicle Loan from Bank	-	7.24
Less: Current Maturities of Long Term Borrowings	(501.29)	(698.63)
<b>Total</b>	<b>487.87</b>	<b>989.16</b>

- (a) Interest rate of the above loan in range between 6.00% to 9.50%
- (b) Borrowings from banks are secured by way of :-
- (i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
  - (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (c) Amount payable during next 12 months, disclosed under the head "Current Borrowings" (Note No. 17.1)
- (d) Vehicle Loans are secured by respective vehicles.
- (e) Corporate Guarantee of holding company for loan of subsidiary company in Previous year.
- (f) **Utilisation of Borrowings taken from Bank and Financial Institution**
- The company has not taken any fresh loan from banks and financial institutions during The year.

- (g) **Maturity Profile of the above loan as below :** (₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Within One year	501.29	698.63
(ii) Two to Five years	487.87	989.16
<b>Total</b>	<b>989.16</b>	<b>1,687.79</b>

**14.2 Lease Liability** (₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	43.43	43.75
<b>Total</b>	<b>43.43</b>	<b>43.75</b>

Amount payable during next 12 months, disclosed under the head "Lease Liability [Current]" (Note No. 17.2)

**Disclosures as required by Ind AS 116 'Lease' are stated below**

- (a) **Lease Liability Movement** (₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance /Transaction Adjustment</b>	49.24	47.11
Add: Addition during the year	-	2.57
Interest on lease liability	5.17	5.05
Less: Lease rental payments	(5.49)	(5.49)
<b>Total</b>	<b>48.92</b>	<b>49.24</b>

- (b) **Maturity Analysis of Lease Liabilities** (₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Not later than one year	5.49	5.49
(ii) Later than one year but not later than five years	21.96	21.96
(iii) Later than five years	21.47	21.79
<b>Total</b>	<b>48.92</b>	<b>49.24</b>

## 15 Provisions

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits :</b>		
(i) Gratuity Payable	541.93	508.86
(ii) Leave Encashment	30.31	54.21
<b>Total</b>	<b>572.24</b>	<b>563.06</b>

{Refer provision for employee benefits note no.36}

## 16 Deferred Tax Liabilities (Net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Tax effect of items constituting deferred tax liabilities:</b>		
(i) Property, plant and equipment	525.48	1,136.83
<b>Total</b>	<b>525.48</b>	<b>1,136.83</b>

## CURRENT LIABILITIES

### 17 Financial liabilities

#### 17.1 Current Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Secured Loans</b>		
Loans Repayable on Demand from Banks	8,799.46	5,011.49
Current Maturities of Long Term Borrowings	501.29	698.63
<b>Total</b>	<b>9,300.75</b>	<b>5,710.12</b>

(a) Interest rate of the above loan in range between 5.95% to 9.00%

(b) Working Capital loans and other credit facility are secured by way of :

- (i) First parri passu charge on both present and/or future, current assets including inventories & receivables.
- (ii) Second parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (iii) Personal Guarantee of Directors.
- (iv) Corporate Guarantee of holding company for loan of subsidiary company in previous year.

(c) Current Maturities of Long Term Debt

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term Loan from Banks	501.29	691.39
(ii) Vehicle Loan from Banks	-	7.24
<b>Total</b>	<b>501.29</b>	<b>698.63</b>

(d) Borrowings from banks or financial institutions on the basis of security of current assets

Quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**17.2 Lease Liability**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	5.49	5.49
<b>Total</b>	<b>5.49</b>	<b>5.49</b>

Amount payable during next 12 months.

**17.3 Trade payables**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Dues to Micro, Small and Medium Enterprises</b>		
-Other than above	5,879.67	5,751.60
<b>Total</b>	<b>5,879.67</b>	<b>5,751.60</b>
<b>(ii) Dues to other than Micro, Small and Medium Enterprises</b>		
- Acceptance	1,135.97	2,056.03
-Other than above	21,468.47	10,900.17
<b>Total</b>	<b>22,604.44</b>	<b>12,956.20</b>
<b>Grand Total</b>	<b>28,484.11</b>	<b>18,707.80</b>

Related party transactions &amp; balance {Refer note no. 38}

**(a) Trade Payable Ageing Schedule**

(Ageing from due date of payment)

As at March 31, 2022

(₹ in Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	2,699.97	-	15,421.19	-	18,121.17
Less than 1 year	3,179.69	-	7,170.01	-	10,349.70
1-2 years	-	-	8.70	-	8.70
2-3 year	-	-	3.77	-	3.77
> 3 years	-	-	0.77	-	0.77
<b>Total</b>	<b>5,879.67</b>	<b>-</b>	<b>22,604.44</b>	<b>-</b>	<b>28,484.11</b>

**(b) Trade Payable Ageing Schedule**

(Ageing from due date of payment)

As at March 31, 2021

(₹ in Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	3,640.67	-	9,164.12	-	12,804.79
Less than 1 year	2,110.93	-	3,599.18	-	5,710.11
1-2 years	-	-	158.79	-	158.79
2-3 year	-	-	30.81	-	30.81
> 3 years	-	-	3.30	-	3.30
<b>Total</b>	<b>5,751.60</b>	<b>-</b>	<b>12,956.20</b>	<b>-</b>	<b>18,707.80</b>

(c) Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : ₹ 5879.67 Lacs Previous Year : ₹ 5751.60 Lacs. The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than the stipulated period, are given below:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due and remaining unpaid	5,879.67	5,751.60
(ii) Interest paid	-	-
(iii) Interest due	-	-
(iv) Interest accrued and due	-	-
(v) Interest due and remaining unpaid	-	-

17.4 Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Unclaimed Dividend *	18.32	17.37
(ii) Security Deposits Payable	143.02	103.36
(iii) Creditors for Service & Others	1,602.23	1,286.35
(iv) Other Payables :		
-Employee Dues	416.36	297.24
-Others	2,747.65	2,122.33
<b>Total</b>	<b>4,927.58</b>	<b>3,826.67</b>

\* Investor Education and Protection Fund will be credited, as and when due.

18 Provisions

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits :</b>		
(i) Gratuity Payable	35.42	13.42
(ii) Leave Encashment	2.47	3.61
<b>Total</b>	<b>37.89</b>	<b>17.03</b>

{Refer provision for employee benefits note no.36}

19 Other Current Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Advance from Customers	661.43	1,122.52
(ii) Creditors for Capital Goods	849.54	72.09
(iii) Duties and Taxes payable	225.14	86.76
<b>Total</b>	<b>1,736.12</b>	<b>1,281.38</b>

**20 Current Tax Liabilities (Net)**

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Provision for Income Tax (Net)	-	61.38
<b>Total</b>	<b>-</b>	<b>61.38</b>

**REVENUE FROM OPERATION****21 Sale of Products**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Domestic Sales	93,384.86	71,368.55
(ii) Export Sales	16,423.13	15,615.59
(iii) Other Operating Income	2,597.83	1,714.42
<b>Total</b>	<b>1,12,405.82</b>	<b>88,698.55</b>

**(a) Other Operating Income includes :**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Export benefits	226.70	389.72
(ii) Scrap Sales	2,365.56	1,242.62
(iii) Income from Services	5.57	62.79
(iv) Other Operating Income	-	19.28
<b>Total</b>	<b>2,597.83</b>	<b>1,714.42</b>

**I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015****a) Revenue disaggregation based on Product Type and Customer type:****(i) Revenue disaggregation by Product Type: Pumps and Motors.****(ii) Revenue disaggregation by Customer Type is as follows:**

(₹ in Lacs)

Customer Type	2021-22	2020-21
Customers under Government Projects	81,484.21	54,226.53
Industrial Customers	1,551.96	1,747.87
OEM Customers	3,123.00	8,590.04
Export Customers	16,423.13	15,615.59
Other Customers	9823.52	8,518.53
<b>Total</b>	<b>1,12,405.82</b>	<b>88,698.55</b>

**22 Other Income**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Interest Income	307.70	150.85
(ii) Rent Received	12.12	13.31
(iii) Dividend Income	453.58	-
(iv) Others	289.87	166.34
<b>Total</b>	<b>1,063.27</b>	<b>330.50</b>

## EXPENSES

### 23 Cost of Material Consumed

(₹ in Lacs)

Particulars	2021-22	2020-21
Opening Stock of Raw Material	5,605.50	4,808.30
Add: Purchase of Raw Material	96,050.03	63,346.59
	<b>1,01,655.53</b>	<b>68,154.88</b>
Less: Closing Stock of Raw Material	9,090.58	5,605.50
<b>Total</b>	<b>92,564.95</b>	<b>62,549.38</b>

### 24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(₹ in Lacs)

Particulars	2021-22	2020-21
<b>Inventories (at Close)</b>		
(i) Finished Goods/Stock in Trade	6,391.39	3,162.31
(ii) Work-In-Progress	3,803.61	2,887.23
<b>Total</b>	<b>10,195.00</b>	<b>6,049.54</b>
<b>Inventories ( at Opening )</b>		
(i) Finished Goods/Stock in Trade	3,162.31	5,420.60
(ii) Work-In-Progress	2,887.23	2,640.10
<b>Total</b>	<b>6,049.54</b>	<b>8,060.70</b>
<b>Change in Inventories</b>	<b>(4,145.46)</b>	<b>2,011.16</b>

### 25 Employee Benefit Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Salaries, Wages and Bonus	4,526.14	3,776.71
(ii) Contribution to Provident and Other Funds	193.92	227.46
(iii) Staff Welfare Expenses	216.10	100.87
<b>Total</b>	<b>4,936.16</b>	<b>4,105.03</b>

### 26 Finance Cost

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Interest to Bank	991.10	1,083.86
(ii) Interest to Other	4.45	6.54
(iii) Other Borrowing Costs	361.72	313.50
<b>Total</b>	<b>1,357.27</b>	<b>1,403.90</b>

### 27 Depreciation and Amortisation Expense

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Depreciation	1,699.83	1,669.72
(ii) Amortisation	34.46	33.22
<b>Total</b>	<b>1,734.29</b>	<b>1,702.95</b>

**28 Other Expenses**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Power & Fuel	213.32	196.20
(ii) Job Work Expenses	45.56	82.88
(iii) Clearing & Forwarding Charges	113.19	86.67
(iv) Freight Charges	1,211.20	599.60
(v) Travelling Expenses	211.56	93.26
(vi) Advertising Expenses	153.86	107.99
(vii) ECGC Premium	27.60	28.15
(viii) Selling & Distribution Expenses	5,406.48	3,890.19
(ix) Legal, professional and consultancy charges	249.69	207.82
(x) Rent	62.91	45.24
(xi) Manufacturing Expenses	475.96	712.96
(xii) Auditors Remuneration	10.00	5.00
(xiii) Corporate Social Responsibility Expenses	72.66	114.76
(xiv) Rates and taxes	114.29	180.51
(xv) Repair & Maintenance	128.31	106.95
(xvi) Conveyance Expenses	265.64	205.74
(xvii) Communication Expenses	202.15	125.28
(xviii) Directors Remuneration	958.46	905.16
(xix) Office & Administrative Expenses	63.80	77.53
(xx) Bad Debts Written off	4.46	2.63
(xxi) Provision for Doubtful Debts / Security Deposits	75.73	61.25
(xxii) Donations and Contributions	0.05	25.00
(xxiii) Software Maintenance Expenses	80.20	49.95
(xxiv) Miscellaneous Expenses	7.69	24.92
<b>Total</b>	<b>10,154.76</b>	<b>7,935.63</b>

**28.1 Payment To Auditors :**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) For Audit	10.00	5.00
(ii) For Taxation Matters	-	-
(iii) For Other Services-Including components auditor	-	-
<b>Total</b>	<b>10.00</b>	<b>5.00</b>



## 29 Earnings Per Share

(₹ in Lacs)

Particulars	2021-22	2020-21
Profit / (Loss) for the year as per Statement of Profit and Loss	5,559.40	6,116.97
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Weighted average number of equity shares, (nos) for Basic DPS	1,83,80,156	1,83,80,156
Face Value of Share (₹)	10.00	10.00
<b>Basic Earning Per Share</b>	<b>30.25</b>	<b>33.28</b>
<b>Diluted Earning Per Share</b>	<b>30.25</b>	<b>33.28</b>

## 30 Proposed Dividend

A dividend at the rate of 20% i.e. ₹2/- per equity share is recommended by the Board of Directors at their meeting held on May 02, 2022 which is subject to approval at the ensuing Annual General Meetings, and if approved will be payable within the statutory time limits of 30 Days.

## 31 Research & Development

(₹ in Lacs)

Nature of Expenditure	2021-22	2020-21
(i) Capital Expenditure	113.92	77.32
(ii) Revenue Expenditure	338.62	253.06
<b>Total Expenditure Incurred</b>	<b>452.54</b>	<b>330.38</b>
Less: Income Earned by R&D	0.01	0.25
<b>Net Expenditure Incurred</b>	<b>452.53</b>	<b>330.13</b>

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies)

## 32 Contingent Liabilities

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Bank Guarantee Outstanding	8,461.75	7,944.04
(ii) Unexpired Letter of Credit	13,442.89	6,834.21
(iii) Corporate Guarantee Outstanding	-	2,350.00
(iv) Commercial Tax Demand under Dispute	73.58	94.38
(v) Income Tax Demand Under Dispute	3,883.54	3,759.64
(vi) Custom Duty Demand Under Dispute	1,387.44	971.95
Less : Provision for Doubtful Assets	(280.49)	(280.49)
<b>Total</b>	<b>26,968.71</b>	<b>21,673.73</b>

**33 Expenditure in Foreign Currency on Account of :**

(₹ in Lacs)

Particulars	2021-22	2020-21
(i) Travelling Expenses	51.83	8.45
(ii) Advertisement Expenses	-	1.58
(iii) Commission on Sales	2.84	20.33
(iv) Software Development Expenses	10.53	12.18
(v) Legal, Professional and Consultancy charges	-	0.55
(vi) Testing & Other Charges	-	5.77
<b>Total</b>	<b>65.20</b>	<b>48.84</b>

**34 Other Amendments with respect to Schedule III :**

- (i) The company does not have any transactions with companies struck off.
- (ii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (iv) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (v) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (vi) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has not advance or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 35 Corporate Social Responsibility (CSR)

The company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

Particulars	(₹ in Lacs)	
	2021-22	2020-21
1 Gross amount required to be spent by the company during the year.	72.66	114.76
<b>2 Amount approved by the Board to be spent during the year:</b>		
(a) Ongoing	-	-
(b) Other than ongoing	72.66	114.76
<b>Total</b>	<b>72.66</b>	<b>114.76</b>
<b>3 Amount spent during the year on:</b>		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	72.66	114.76
<b>Total</b>	<b>72.66</b>	<b>114.76</b>
4 Shortfall at the end of the year,	-	-
5 Total of previous years shortfall,	-	70.60
6 Reason for shortfall-	N.A.	N.A.
<b>7 Nature of CSR activities-</b>		
(a) I&C Charges of 5hp CSR Site Mandu	0.12	-
(b) Donation To Homeopathic Rogi Kalyan	0.50	-
(c) Shakti Foundation	72.05	83.23
(d) Parcel lunch box COVID-19 & Sanitization	-	0.73
(e) Construction of Girls Hostel	-	25.00
(f) Installation of Solar Pumps System	-	2.70
(g) Donation for Mandu Ustav	-	0.10
(h) Donation to Police Welfare	-	1.00
(i) Installation of Pumps and Motors system	-	0.37
(j) Installation of Solar Pump system at Nalcha, Mandu	-	1.83
<b>Total</b>	<b>72.66</b>	<b>114.96</b>
Shakti Foundation	72.05	83.23
	N.A.	N.A.
<b>In case of S. 135(5) unspent amount</b>		
Opening Balance	-	70.60
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent	-	70.60
Amount spent during the year	-	70.60
<b>Shortfall / (Excess)</b>	<b>-</b>	<b>-</b>

## 36 Employee Benefit Obligations

### 36.1 Defined Contribution Plan :

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per IND-AS 19.

Particulars	(₹ In Lacs)	
	2021-22	2020-21
Employers Contribution to Provident Fund/ Pension Fund	128.55	125.53
Employers Contribution to ESIC	2.99	4.32
<b>Total</b>	<b>131.55</b>	<b>129.85</b>

### 36.2 Defined Benefit Plan for Gratuity & for Leave Encashment :

- (i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.
- (ii) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**a) Asset Volatility :**

- (i) The plan liabilities are calculated using a discount rate; if plan assets under perform compared to the discount rate, this will create or increase a deficit.
- (ii) As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

**b) Life Expectancy :**

The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

The amounts recognized in the Balance Sheet are as follows :

Particulars	(₹ In Lacs)			
	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Present value of obligation at the end of year	32.78	57.82	603.17	542.28
Fair value of plan assets at the end of year	-	-	25.82	20.00
<b>Net liability recognized in the Balance Sheet</b>	<b>32.78</b>	<b>57.82</b>	<b>577.35</b>	<b>522.28</b>

The amounts recognized in the Statement of Profit and Loss are as follows:

Particulars	(₹ In Lacs)			
	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Current Service Cost	1.28	9.24	39.30	52.34
Interest Cost	4.10	4.93	37.03	35.09
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	(28.24)	(23.53)	-	-
<b>Total, included in Employee Benefit Expenses</b>	<b>(22.86)</b>	<b>(9.35)</b>	<b>76.33</b>	<b>87.43</b>

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Defined benefit obligation at beginning of the year	57.82	72.78	542.28	567.54
Current Service Cost	1.28	9.24	39.30	52.34
Past Service Cost	-	-	-	-
Interest Cost	4.10	4.93	38.45	38.48
Benefits Paid	(2.18)	(5.61)	(37.21)	(43.62)
Actuarial (Gain)/ Loss	(28.24)	(23.53)	20.35	(72.46)
<b>Defined benefit obligation at the end of the year</b>	<b>32.78</b>	<b>57.82</b>	<b>603.17</b>	<b>542.28</b>

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(i) Discount Rate	7.51%	7.09%	7.51%	7.09%
(ii) Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
(iii) Expected Rate of Return on Plan Assets	None	None	7.44%	7.84%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(i) Retirement Age	60 years	60 years	60 years	60 years
(ii) Employee Turnover :				
18-30 Years	3.00%	3.00%	3.00%	3.00%
30-45 Years	2.00%	2.00%	2.00%	2.00%
Above 45 Years	1.00%	1.00%	1.00%	1.00%

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity :

(₹ In Lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2022	100 Basis Points	(75.23)	90.75
	2021	100 Basis Points	(72.11)	87.81
(ii) Salary Growth Rate	2022	100 Basis Points	91.23	(76.86)
	2021	100 Basis Points	87.89	(73.41)

## Leave Encashment :

(₹ In Lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	Decrease in assumption
			Increase in assumption	
(i) Discount Rate	2022	100 Basis Points	(4.63)	5.87
	2021	100 Basis Points	(7.69)	9.46
(ii) Salary Growth Rate	2022	100 Basis Points	5.72	(4.73)
	2021	100 Basis Points	9.47	(7.83)

## Gratuity :

(₹ In Lacs)

Expected Cash Flow for the Next Ten Years	March 31, 2022	March 31, 2021
Year 2022	-	13.86
Year 2023	35.91	38.84
Year 2024	25.48	26.79
Year 2025	20.79	21.88
Year 2026	32.53	33.48
Year 2027	37.99	-
Year 2027 - 2031	-	295.85
Year 2028 - 2032	354.86	-

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rate is based on prevailing market yields on government securities as at balance sheet date for the estimated term of the obligations.

## 37 Income Tax Expenses

(₹ In Lacs)

Particulars	2021-22	2020-21
<b>(i) Profit or Loss Section</b>		
Current Tax Expenses on Profit before tax	1,922.86	2,202.95
(Short)/Excess provision for tax relating to prior period	(3.78)	-
Deferred Tax	(611.36)	1,001.08
<b>Total Income Tax Expenses Recognised in Statement of Profit &amp; Loss</b>	<b>1,307.72</b>	<b>3,204.03</b>
<b>(ii) Other Comprehensive Income (OCI) Section</b>		
Income tax charged to OCI	9.49	(24.70)
<b>(iii) Reconciliation of Effective Tax Rate</b>		
A) Profit Before Tax	6,867.12	9,321.00
B) Enacted Tax Rate In India	25.17%	34.94%
C) Expected Tax Expenses	1,728.32	3,257.13
<b>D) Tax Effect of</b>		
- Difference Between Book Depreciation And Tax Depreciation	369.94	130.80
- Deduction on account of Research and Development Expenses	-	(77.32)
- Other Provisions	403.04	(3,070.22)
<b>E) Net Adjustment</b>	<b>772.98</b>	<b>(3,016.74)</b>
F) Tax Expenses/(Saving) on Net Adjustment (E*B)	194.54	(1,054.17)
G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F)	1,922.86	2,202.96
H) Excess/(Short) Provision for tax relating to prior year	(3.78)	-
I) Changes on Account of Deferred Tax	(611.36)	1,001.08
<b>Net Current Tax Expenses Recognised in Statement of Profit &amp; Loss (G+H+I)</b>	<b>1,307.72</b>	<b>3,204.03</b>

### 38 Related Party Disclosure as required by Indian Accounting Standard 24 is as below :

#### (i) List of Related Parties and Relationships

S.No.	Description of Relationship & Name of Related Party :
<b>1.</b>	<b>Wholly Owned Foreign Subsidiary Companies :</b>
(i)	Shakti Pumps LLC, USA
(ii)	Shakti Pumps FZE , UAE
(iii)	Shakti Pumps Pty Ltd., Australia
(iv)	Shakti Pumps (Shanghai) Limited, China
(v)	Shakti Pumps (Bangladesh) Ltd., Bangladesh
<b>2.</b>	<b>Wholly Owned Domestic Subsidiary Company :</b>
(i)	Shakti Energy Solutions Pvt. Ltd.
(ii)	Shakti Green Industries Pvt. Ltd.
<b>3.</b>	<b>Enterprise over which Key Management are able to exercise Significant Influence :</b>
(i)	Shakti Irrigation India Ltd.
(ii)	Vintex Tools Pvt. Ltd.
(iii)	Arsh Industrial Solutions Pvt. Ltd.
(iv)	Shakti Irrigation Pvt. Ltd.
(v)	SPIIL Energy LLP (Earlier known as "SPIIL Energy Limited")
<b>4.</b>	<b>Key Managerial Personnel :</b>
(i)	Mr. Dinesh Patidar - Managing Director
(ii)	Mr. Sunil Patidar - Whole Time Director
(iii)	Mr. Ramesh Patidar - Whole Time Director
(iv)	Mr. Dinesh Patel: - Chief Financial Officer
(v)	Mr. Ravi Patidar: - Company Secretary & Compliance Officer

#### (ii) Transaction with Related Parties :

(₹ in Lacs)

S. No	Name of Party	Nature of Transaction	2021-22	2020-21
1	Shakti Pumps LLC, USA	Sale of Pump & Motors	2,207.92	1,435.45
		Dividend Received	453.58	-
2	Shakti Pumps FZE , UAE	Sale of Pump & Motors	7,293.05	6,762.17
		Purchase of Pump & Motors	0.53	0.76
3	Shakti Pumps Pty Ltd., Australia	Sale of Pump & Motors	-	1.54
4	Shakti Pumps (Shanghai) Limited, China	Purchase of Raw material	-	46.61
5	Shakti Energy Solutions Pvt. Ltd.	Purchase of Solar System	11,936.59	6,767.32
		Purchase of Asset	-	6.05
		Sale of Pump Motors & Others	132.93	33.06
		Sales of Asset	2.69	1.33
6	Shakti Green Industries Pvt. Ltd.	Sale of Assets	1.98	-
		Loan Given	42.25	-
		Loan Received back	42.25	-
7	Shakti Irrigation India Ltd.	Purchase of Components (excluding transit)	1,497.43	1,234.36
		Purchase of Asset	-	2.02
		Sale of Pumps & Motors & other material	6.15	77.54
		Sale of Assets	-	0.11
8	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material (excluding transit)	46.83	101.14

S. No	Name of Party	Nature of Transaction	2021-22	2020-21
		Purchase of Assets (excluding transit)	1,045.57	826.94
		Sale of Spare parts (excluding transit)	23.35	12.40
9	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	1,137.28	986.63
		Purchase of Asset	-	19.24
		Sale of Asset	-	47.20
		Sale of Spare Parts	155.76	352.09
10	Shakti Irrigation Pvt. Ltd.	Purchase of Pipes	2,796.33	1,849.77
		Sale of Pumps, Motors & other material	29.39	5.19
		Income from Rent	12.12	13.31
11	Mr. Dinesh Patidar	Remuneration	900.00	450.00
		Sales Incentive	-	406.05
12	Mr. Sunil Patidar	Remuneration	12.00	9.65
		Other Allowances	0.62	0.60
13	Mr. Ramesh Patidar	Remuneration	44.34	32.33
		Sales Incentive	-	5.00
		Other Allowances	1.51	1.53
14	Mr. Dinesh Patel	Remuneration	21.89	15.98
15	Mr. Ravi Patidar	Remuneration	13.00	9.92

## (iii) Related Party Balance :

S. No	Nature	Name of Party	As at March 31, 2022	As at March 31, 2021
1	Investments	Shakti Pumps LLC, USA	33.32	33.32
		Shakti Pumps FZE, UAE	156.56	156.56
		Shakti Pumps (Shanghai) Ltd., China	16.92	16.92
		Shakti Pumps (Bangladesh) Ltd., Bangladesh	37.27	37.27
		Shakti Energy Solutions Pvt. Ltd.	1,649.89	1,649.89
		Shakti Green Industries Pvt. Ltd. (Including share application money)	51.00	-
		2	Trade Receivables	Shakti Pumps FZE, UAE
	Shakti Energy Solutions Pvt. Ltd.	131.01		-
	Shakti Irrigation India Ltd.	2.43		48.80
	Vintex Tools Pvt. Ltd.	5.97		-
	Arsh Industrial Solutions Pvt. Ltd.	54.66		66.31
	Shakti Irrigation Private Ltd.	3.91		0.39
3	Trade Payables	Shakti Pumps FZE, UAE	-	197.15
		Shakti Energy Solutions Pvt. Ltd.	2,582.13	789.67
		Shakti Irrigation India Ltd.	667.25	70.57
		Vintex Tools Pvt. Ltd.	971.45	1,009.60
		Arsh Industrial Solutions Pvt. Ltd.	174.42	321.17
		Shakti Irrigation Private Ltd.	477.32	302.45
4	Advance from Customers	Shakti Pumps LLC, USA	550.93	934.35
5	Advance to Vendor	Shakti Pumps (Shanghai) Ltd, China	0.15	0.30



## 39 Financial Instruments

### A. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company  
(₹ in Lacs)

Financial Instruments by category	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	3,990.39	3,599.27	3,990.39	3,599.27
Investments	1,944.97	1,893.97	1,944.97	1,893.97
Other Financial Assets	593.47	624.65	593.47	624.65
Trade Receivables	36,188.59	24,993.75	36,188.59	24,993.75
<b>Total</b>	<b>42,717.43</b>	<b>31,111.65</b>	<b>42,717.43</b>	<b>31,111.65</b>
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	28,484.11	18,707.80	28,484.11	18,707.80
Borrowings	9,788.62	6,699.28	9,788.62	6,699.28
Other Financial Liabilities	4,976.51	3,875.91	4,976.51	3,875.91
<b>Total</b>	<b>43,249.23</b>	<b>29,283.00</b>	<b>43,249.23</b>	<b>29,283.00</b>

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

## Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(₹ in Lacs)

Particulars	As at March 31, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	3,990.39	-	-	3,990.39
Investments	1,944.97	-	-	1,944.97
Other Financial Assets	593.47	-	-	593.47
Trade Receivables	36,188.59	-	-	36,188.59
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	28,484.11	-	-	28,484.11
Borrowings	9,788.62	-	-	9,788.62
Other Financial Liabilities	4,976.51	-	-	4,976.51

(₹ in Lacs)

Particulars	As at March 31, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	3,599.27	-	-	3,599.27
Investments	1,893.97	-	-	1,893.97
Other Financial Assets	624.65	-	-	624.65
Trade Receivables	24,993.75	-	-	24,993.75
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	18,707.80	-	-	18,707.80
Borrowings	6,699.28	-	-	6,699.28
Other Financial Liabilities	3,875.91	-	-	3,875.91

**B. Financial Risk Management**

Shakti Pumps (India) Limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Company.

**1. Capital Management :**

The company's capital management objectives are:

- (i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.
- (ii) The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt equity ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.

(iv) Debt Equity Ratio is as follows:

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (A)	9,788.62	6,699.28
Equity (B)	34,269.77	30,209.01
<b>Debt Equity Ratio (A/B)</b>	<b>0.29</b>	<b>0.22</b>

## 2. Credit Risk :

- (i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.
- (ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

## 3. Liquidity Risk :

**Liquidity Risk Management :** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings :

(₹ In Lacs)

Exposure to Risk	As at March 31, 2022	As at March 31, 2021
<b>Interest bearing borrowings:</b>		
On Demand	8,799.46	5,011.49
Less than 180 Days	250.64	349.32
181-365 Days	250.64	349.32
More than 365 Days	487.87	989.16

## 4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

### a) Foreign Currency Exchange Rate Risk :

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

## Foreign Currency Exposures :

(₹ In Lacs)

Particulars	Foreign Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign Curr. Amount	Amount in ₹	Foreign Curr. Amount	Amount in ₹
I. Trade receivables/Advance	USD	43.02	3,234.95	43.01	3,079.33
from customer :	EUR	0.49	40.50	1.45	123.49
<b>Total</b>			<b>3,275.45</b>		<b>3,202.82</b>
II. Advance for Capital Goods :	USD	-	-	0.06	4.17
<b>Total</b>			<b>-</b>		<b>4.17</b>
III. Borrowing balances :	USD	10.19	732.87	13.60	977.87
<b>Total</b>			<b>732.87</b>		<b>977.87</b>
IV. Trade payables :	USD	14.74	1,108.60	17.16	1,228.72
	EUR	2.18	179.25	2.16	183.46
<b>Total</b>			<b>1,287.85</b>		<b>1,412.18</b>

## Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ In Lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
<b>March 31, 2022</b>			
Based on YOY change between F21 & F22	USD	+10%	139.35
	USD	-10%	(139.35)
	EUR	+10%	(13.87)
	EUR	-10%	13.87
<b>March 31, 2021</b>			
Based on YOY change between F20 & F21	USD	+10%	87.69
	USD	-10%	(87.69)
	EUR	+10%	(6.00)
	EUR	-10%	6.00

## b) Interest Rate Risk :

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

(₹ In Lacs)

Floating Interest rate exposure :	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans :</b>		
Loans repayable taken from Banks:	8,799.46	5,011.49
<b>Total</b>	<b>8,799.46</b>	<b>5,011.49</b>

### Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

(₹ In Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
<b>As at March 31, 2022</b>	+100	(87.99)
	-100	87.99
<b>As at March 31, 2021</b>	+100	(50.11)
	-100	50.11

### 40 Analytical Ratios

Ratios	Numerator Denominator	Ratios (2021-22)	Ratios (2020-21)	% of Variation	Reason for variance
1 Current Ratio	Current Assets Current Liabilities	1.48	1.56	-4.89%	-
2 Debt-Equity Ratio	Total Debts <sup>(1)</sup> Shareholders Equity <sup>(2)</sup>	0.29	0.22	28.80%	Refer Note 1
3 Debt Service Coverage Ratio	Earnings available for debt service <sup>(3)</sup> Debt Service <sup>(4)</sup>	6.41	6.77	-5.32%	-
4 Trade Payables Turnover Ratio	Net Credit Purchases Average Trade Payables	4.07	5.30	-23.18%	-
5 Inventory Turnover Ratio	Net Sales <sup>(5)</sup> Average Inventory	7.25	7.20	0.78%	-
6 Trade Receivables Turnover Ratio	Net Credit Sales <sup>(5)</sup> Average Trade Receivables	3.67	4.85	-24.45%	-
7 Net Capital Turnover Ratio	Net Sales <sup>(5)</sup> Average working capital	5.93	6.59	-9.98%	-
8 Net Profit Ratio	Net Profits after Tax Net Sales <sup>(5)</sup>	4.96%	6.93%	-28.52%	Refer Note 2
9 Return on Equity Ratio (ROE)	Net Profits after Tax Average Shareholder's Equity	17.24%	22.55%	-23.53%	-
10 Return on Investment (ROI)	Net Profit after tax Total Equity	16.22%	20.25%	-19.88%	-
11 Return on Capital Employed (ROCE)	Earning before interest and taxes Capital Employed <sup>(6)</sup>	17.85%	28.21%	-36.74%	Refer Note 2

**Explanation :**

- (1) **Total Debt** represents Current Borrowings + Non Current Borrowings.
- (2) **Shareholders Equity** represents Equity Share Capital + Other equity
- (3) **Earnings available for debt service** represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt + Loss on Sale of Fixed Assets.
- (4) **Debt Service** represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings
- (5) **Net Sales** represents Domestic Sales + Export Sales + Scrap Sales
- (6) **Capital Employed** represents Total Equity + Borrowings

**Reason for variance :**

- (1) During the financial year ended March 31, 2022, there had been an increase in Short term Borrowings compared to previous financial year, resulting into variation in ratio .
- (2) During the financial year ended March 31, 2022, there had been an increase raw material cost compared to previous financial year, this impacted the operating margins, resulting into variance in ratio reported above.
- 41.** Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

As per our report of even date

**For PGS & Associates**  
**Chartered Accountants**  
 ICAI Firm Registration No. : 122384W

**Premal Gandhi**  
**Partner**  
 M.No.111592  
 UDIN: 22111592AIGLFV1137

Place: Pithampur  
 Date: May 02, 2022

**For and on behalf of the Board of Directors of**  
**Shakti Pumps (India) Limited**

**Dinesh Patidar**  
**Chairman and Managing Director**  
 DIN:00549552

**Dinesh Patel**  
**Chief Financial Officer**

**Ramesh Patidar**  
**Executive Director**  
 DIN:00931437

**Ravi Patidar**  
**Company Secretary**  
 M. No. ACS 32328

# Independent Auditors' Report

To the Members of

**SHAKTI PUMPS (INDIA) LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Shakti Pumps (India) Limited ('the Parent') and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit , their consolidated comprehensive income, their consolidated cash flows and their consolidated

changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32 to the Consolidated Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022, from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other information'.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of those consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have



been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the financial statement of 6 subsidiaries included in the audited consolidated financial statement, whose financial statements reflect total assets of ₹ 12,294.60 lacs as on 31 March 2022. total revenues of ₹ 27,020.23 lacs, total net (loss)/profit after tax of ₹ 1,777.77 lacs and total comprehensive income/(loss) of ₹ 1,984.22 lacs for the period from 01 April 2021 to March 31, 2022, respectively as considered in the Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with

respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of the written representations received from the directors of the Parent as on 31 March 2022 taken on record by the Board of Directors including two Companies incorporated in India included in the Consolidated financial statement, none of the directors of parent is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the parent.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as

amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statement has disclosed the impact of pending litigations on its consolidated financial position of the Group- Refer Note 32;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the only Company to which such requirements apply;
  - iv.
  - i. The Management of the Parent which is a company incorporated in India, whose financial statements has been audited under the Act, has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies),

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

As stated in **note 30** to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.

The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the subsidiaries.

**For PGS & Associates**

Chartered Accountants  
Firm Registration Number: 122384W  
UDIN: 22111592AIGKWP3921

**Premal Gandhi**

Partner  
Membership Number: 111592  
Place: Mumbai  
Date: May,02,2022

## Annexure- A to the Independent Auditors' Report

The Annexure A referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the financial statements for the year ended 31 March 2022.

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited (hereinafter referred to as "Parent"), as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

## Annexure- A to the Independent Auditors' Report on the Ind AS Financial Statements (continued)

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For PGS & Associates**

Chartered Accountants

Firm Registration Number: 122384W

**UDIN:** 22111592AIGKWP3921

#### **Premal Gandhi**

Partner

Membership Number: 111592

Place: Mumbai

Date: May 02, 2022

# Consolidated Balance Sheet

## As At March 31, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	14,109.18	14,313.41
(b) Capital Work-In-Progress	3	49.53	57.92
(c) Intangible Assets	4	463.09	421.88
(d) Intangible Assets Under Development	4	10.89	18.01
(e) Financial Assets	5		
(i) Investments	5.1	0.02	0.02
(ii) Other Financial Assets	5.2	243.79	247.17
(f) Non-Current Tax Assets (Net)	6	24.58	1,734.43
(g) Other Non-Current Assets	7	206.55	160.96
<b>Total Non-Current Assets</b>		<b>15,107.63</b>	<b>16,953.80</b>
<b>2 Current Assets</b>			
(a) Inventories	8	21,582.69	13,340.68
(b) Financial Assets	9		
(i) Trade Receivables	9.1	38,277.58	26,456.75
(ii) Cash and Cash Equivalents	9.2	3,124.99	2,157.43
(iii) Bank Balance Other than Above	9.3	1,335.12	1,989.84
(iv) Other Financial Assets	9.4	369.05	383.91
(c) Current Tax Assets (Net)	10	114.79	-
(d) Other Current Assets	11	6,455.72	5,775.06
<b>Total Current Assets</b>		<b>71,259.94</b>	<b>50,103.67</b>
<b>Total Assets</b>		<b>86,367.57</b>	<b>67,057.47</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	37,479.65	32,222.92
<b>Total Equity</b>		<b>39,317.67</b>	<b>34,060.94</b>
<b>Liabilities</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	930.37	1,991.66
(ii) Lease Liability	14.2	101.01	43.75
(b) Provisions	15	577.09	564.36
(c) Deferred Tax Liabilities (Net)	16	695.46	1,155.72
<b>Total Non-Current Liabilities</b>		<b>2,303.93</b>	<b>3,755.49</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	9,570.75	5,883.46
(ii) Lease Liability	17.2	12.17	5.49
(iii) Trade Payables	17.3		
- Dues of Micro and Small Enterprise		6,359.67	5,938.94
- Dues of Other than Micro and Small Enterprise		22,039.51	12,480.92
(iv) Other Financial Liabilities	17.4	5,187.01	3,990.04
(b) Provisions	18	38.08	17.03
(c) Other Current Liabilities	19	1,538.78	592.34
(d) Current Tax Liabilities (Net)	20	-	332.82
<b>Total Current Liabilities</b>		<b>44,745.97</b>	<b>29,241.04</b>
<b>Total Equity And Liabilities</b>		<b>86,367.57</b>	<b>67,057.47</b>
Company Overview, Basis of preparation and Significant Accounting Policies	1 to 2		
The accompanying notes are an integral part of the Financial Statements	3 to 43		

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGKWP3921

Place: Pithampur  
Date: May 02, 2022

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Dinesh Patel  
Chief Financial Officer

Ramesh Patidar  
Executive Director  
DIN:00931437

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

# Consolidated Statement of Profit & Loss

## For The Year Ended March 31, 2022

(₹ in Lacs - unless otherwise stated)

Particulars	Note No.	2021-22	2020-21
<b>I</b> Revenue from Operations	21	1,17,853.51	92,966.14
<b>II</b> Other Income	22	614.14	377.12
<b>III Total Income (I+II)</b>		<b>1,18,467.65</b>	<b>93,343.26</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	23	95,445.60	63,838.80
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	(4,981.15)	1,829.54
Employee Benefits Expenses	25	5,241.19	4,363.71
Finance Costs	26	1,567.62	1,621.14
Depreciation and Amortisation Expense	27	1,857.46	1,836.46
Other Expenses	28	11,102.73	8,728.98
<b>Total Expenses (IV)</b>		<b>1,10,233.45</b>	<b>82,218.63</b>
<b>V Profit/(loss) before Exceptional Items and Tax (III-IV)</b>		<b>8,234.20</b>	<b>11,124.63</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/ (loss) before Tax(V-VI)</b>		<b>8,234.20</b>	<b>11,124.63</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax		2,224.81	2,491.92
(2) Excess/Short Provision of Tax		(0.28)	-
(3) Deferred Tax		(471.93)	1,074.07
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>6,481.60</b>	<b>7,558.64</b>
<b>X Other Comprehensive Income</b>			
<b>(A)</b> (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(loss) on defined benefit plans		(37.28)	71.37
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.37	(24.70)
<b>(B)</b> (i) Items that will be reclassified to profit or loss			
Unrealised exchange gain/(loss)		206.14	(111.85)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the year (X)</b>		<b>178.23</b>	<b>(65.19)</b>
<b>XI Total Comprehensive Income /Loss for the year (IX+X)</b>		<b>6,659.83</b>	<b>7,493.46</b>
<b>XII Earnings per equity share [nominal value of share ₹ 10/]</b>	29		
(1) Basic		35.26	41.12
(2) Diluted		35.26	41.12

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGKWP3921

Place: Pithampur  
Date: May 02, 2022

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

# Consolidated Cash Flow Statement

## For The Year Ended March 31, 2022

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit & loss before tax as per profit & Loss Account	8,234.20	11,124.63
Adjusted For :		
Depreciation and Amortisation Expense	1,857.46	1,836.46
Interest Income	(312.33)	(153.26)
Interest Paid	1,140.38	1,235.39
Provision for Doubtful Debts/ Security Deposits	75.73	61.25
Re-measurement (gains) / loss on defined benefit plans	(37.28)	71.37
Unrealised exchange (gain)/loss (net)	273.46	(59.38)
Profit /Loss on sale of property, plant and equipment (net)	2.57	2.67
	2,999.98	2,994.50
<b>Operating Profit Before Working Capital Changes</b>	<b>11,234.18</b>	<b>14,119.13</b>
Adjusted For :		
(Increase)/Decrease in Trade and Other Receivables	(12,558.66)	(14,317.31)
(Increase)/Decrease in Inventories	(8,242.01)	1,114.48
Increase/(Decrease) in Trade and other payables	12,207.25	15,446.58
	(8,593.42)	2,243.75
<b>Net Cash Flow From Operating Activities</b>	<b>2,640.76</b>	<b>16,362.88</b>
Income taxes (paid)/refund (net)	(941.25)	(2,242.47)
	(941.25)	(2,242.47)
<b>Net Cash Flow From/(Used In) Operating Activities (A)</b>	<b>1,699.51</b>	<b>14,120.41</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(2,087.71)	(1,249.17)
Purchase of Intangible Assets	(73.80)	(64.49)
Movement in Capital Work-in-Progress	15.51	(6.43)
Sale of Fixed Assets	464.50	58.48
Movement in Advance for Capital Goods	(7.00)	(2.84)
Interest Received	273.43	77.96
(Deposits)/Redemption with banks	654.71	1,201.44
<b>Net Cash Flow From/(Used In) Investing Activities (B)</b>	<b>(760.35)</b>	<b>14.95</b>

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	290.00
Repayment of Long term borrowings	(1,258.63)	(782.81)
Proceeds/(Repayment) from Short Term Borrowings (Net)	3,884.63	(10,924.14)
Dividend Paid including tax thereon	(1,470.41)	-
Interest Paid	(1,127.18)	(1,221.32)
<b>Net Cash Flow From/(Used In) Financing Activities (C)</b>	<b>28.40</b>	<b>(12,638.28)</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>967.56</b>	<b>1,497.08</b>
Cash & Cash Equivalents at the beginning of the year	2,157.43	660.35
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,124.99</b>	<b>2,157.43</b>

Note :

- Figures in brackets represent Cash Outflow
- Cash and Cash Equivalents comprise of :

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in Hand	2.37	4.34
Balance with Scheduled Banks	2,181.86	570.14
Fixed Deposit with Maturity Less than three months	940.76	1,582.95
<b>Total</b>	<b>3,124.99</b>	<b>2,157.43</b>

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

**Premal Gandhi**  
Partner  
M.No.111592  
UDIN: 22111592AIGKWP3921

Place: Pithampur  
Date: May 02, 2022

**For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited**

**Dinesh Patidar**  
Chairman and Managing Director  
DIN:00549552

**Ramesh Patidar**  
Executive Director  
DIN:00931437

**Dinesh Patel**  
Chief Financial Officer

**Ravi Patidar**  
Company Secretary  
M. No. ACS 32328



# Consolidated Statement of Changes in Equity

## For The Year Ended March 31, 2022

### A Equity share capital

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Face value (INR)	Amount (₹ In Lacs)	Number of shares	Face value (INR)	Amount (₹ In Lacs)
Balance as at beginning of the year	18,380,156	10.00	1,838.02	18,380,156	10.00	1,838.02
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	18,380,156	10.00	1,838.02	18,380,156	10.00	1,838.02
Changes during the current year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>18,380,156</b>	<b>10.00</b>	<b>1,838.02</b>	<b>18,380,156</b>	<b>10.00</b>	<b>1,838.02</b>

### B Other Equity

(₹ In Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 1, 2020	49.87	8,797.81	9,636.71	6,145.82	58.97	(12.18)	24,677.00
Profit for the year	-	-	-	7,558.64	-	-	7,558.64
Foreign currency translation	-	-	-	-	52.47	-	52.47
Remeasurement Gain/(Loss)	-	-	-	-	-	46.67	46.67
Unrealised Gain/(Loss)	-	-	-	-	-	(111.85)	(111.85)
<b>Balance as at March 31, 2021</b>	<b>49.87</b>	<b>8,797.81</b>	<b>9,636.71</b>	<b>13,704.47</b>	<b>111.44</b>	<b>(77.37)</b>	<b>32,222.92</b>
Profit for the year	-	-	-	6,481.60	-	-	6,481.60
Foreign currency translation	-	-	-	-	67.31	-	67.31
Dividend & Dividend Tax Paid	-	-	-	(1,470.41)	-	-	(1,470.41)
Remeasurement Gain/(Loss)	-	-	-	-	-	(27.91)	(27.91)
Unrealised Gain/(Loss)	-	-	-	-	-	206.14	206.14
<b>Balance as at March 31, 2022</b>	<b>49.87</b>	<b>8,797.81</b>	<b>9,636.71</b>	<b>18,715.65</b>	<b>178.76</b>	<b>100.86</b>	<b>37,479.65</b>

As per our report of even date

For PGS & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

Premal Gandhi  
Partner  
M.No.111592  
UDIN: 22111592AIGKWP3921

Place: Pithampur  
Date: May 02, 2022

For and on behalf of the Board of Directors of  
Shakti Pumps (India) Limited

Dinesh Patidar  
Chairman and Managing Director  
DIN:00549552

Ramesh Patidar  
Executive Director  
DIN:00931437

Dinesh Patel  
Chief Financial Officer

Ravi Patidar  
Company Secretary  
M. No. ACS 32328

# Notes to the Consolidated Financial Statements

## For The Year Ended March 31, 2022

### 1. The Group Overview:

The Group, Shakti Pumps India Limited (SPIL) and its subsidiaries, engaged in manufacturing & trading of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps.

### 2. Basis of Preparation of Consolidated Financial Statements and significant accounting policies:

#### 2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

#### 2.2 Basis of Preparation

- a) The Consolidated Financial Statements comprise of the financial statements of Shakti Pumps (India) Limited (Parent Company) and the following subsidiaries as on 31<sup>st</sup> March 2022:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest of SPIL
Shakti Pumps LLC	USA	100%
Shakti Pumps FZE	UAE	100%
Shakti Pumps (Bangladesh) Ltd.	Bangladesh	100%
Shakti Pumps (Shanghai) Ltd.	China	100%
Shakti Energy Solutions Pvt. Ltd.	India	100%
Shakti Green Industries Pvt. Ltd. (Incorporated 16 <sup>th</sup> December, 2021)	India	100%

- b) The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – “Consolidated Financial Statements”.
- c) Post-acquisition, the Company accounts for its share in the change in net assets of the subsidiaries (after eliminating unrealised profits and losses resulting from transactions between the Company and its subsidiaries to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- d) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Capital Reserve/Goodwill as the case may be.
- e) The accounts of Shakti Pumps LLC, USA is exempt from Audit.
- f) The Accounting Policies of the parent company and its subsidiaries are largely similar. However, few accounting policies are different as certain subsidiaries located in different countries have to comply with the local regulatory requirements.
- g) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are recognised as Other Comprehensive Income/ (loss) and disclosed accordingly.
- h) Significant Accounting Policies of the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.
- i) The Group has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-

of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

### 2.3 Significant Accounting Policies:

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

#### a) **Business Combination:**

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The

acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

#### b) **Deferred Tax:**

The Company does not recognise deferred tax liability with respect to undistributed retained earnings of subsidiaries and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

## NON-CURRENT ASSETS

## 3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ In Lacs)

Particulars	Freehold Land				Buildings				Other than Research and Development				Research and Development				Right of use Asset- Leases	Total	Capital work-in-progress	
<b>Gross Carrying Amount</b>																				
As at March 31, 2020	415.86	4,648.24	8,978.52	9,388.12	677.64	627.30	260.43	672.28	49.16	241.05	29.15	3.44	36.48	56.34	26,084.03	45.97				
Additions	-	12.04	527.02	552.96	14.16	30.11	0.03	31.76	-	26.72	0.20	-	50.51	-	1,245.50	11.95				
Sales/Disposals/Adjustments	-	0.10	110.70	-	36.96	0.02	-	0.02	-	0.13	-	-	0.11	-	148.04	-				
As at March 31, 2021	415.86	4,660.18	9,394.83	9,941.08	654.84	657.40	260.47	704.02	49.16	267.64	29.35	3.44	86.89	56.34	27,181.48	57.92				
Additions	-	256.39	610.60	940.34	19.05	21.89	40.03	46.86	2.49	85.23	1.51	-	24.68	64.60	2,113.66	37.03				
Sales/Disposals/Adjustments	-	-	385.51	307.29	3.08	4.11	79.38	(1.77)	-	0.00	-	0.16	-	-	777.76	45.42				
As at March 31, 2022	415.86	4,916.56	9,619.92	10,574.12	670.80	675.17	221.12	752.65	51.66	352.87	30.85	3.28	111.57	120.95	28,517.38	49.53				
<b>Accumulated Depreciation</b>																				
As at March 31, 2020	-	729.88	3,620.11	5,558.99	484.79	356.24	125.30	231.83	3.89	32.63	3.55	0.36	5.02	0.94	11,153.53	-				
Charge for the Year	-	132.59	557.62	868.92	65.66	49.17	25.30	62.11	3.11	29.83	4.64	0.33	3.96	1.88	1,805.12	-				
Sales/Disposals/Adjustments	-	0.01	49.40	1.40	38.80	0.19	0.29	0.50	-	-	-	-	-	-	90.59	-				
As at March 31, 2021	-	862.46	4,128.32	6,426.52	511.65	405.23	150.30	293.45	7.00	62.46	8.19	0.69	8.99	2.81	12,868.07	-				
Charge for the Year	-	126.65	578.06	862.41	62.64	48.92	23.72	64.21	3.19	37.88	4.90	0.33	9.03	2.95	1,824.88	-				
Sales/Disposals/Adjustments	-	(0.17)	98.29	114.99	2.40	1.10	68.12	(0.03)	-	-	-	0.04	-	-	284.74	-				
As at March 31, 2022	-	989.27	4,608.09	7,173.94	571.89	453.04	105.90	357.69	10.20	100.34	13.09	0.98	18.02	5.76	14,408.20	-				
<b>Net Block</b>																				
As at March 31, 2021	415.86	3,797.72	5,266.51	3,514.56	143.19	252.17	110.16	410.58	42.16	205.17	21.16	2.75	77.90	53.53	14,313.41	57.92				
As at March 31, 2022	415.86	3,927.29	5,011.83	3,400.18	98.91	222.13	115.21	394.97	41.46	252.53	17.77	2.31	93.55	115.18	14,109.18	49.53				

A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.

B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No. 14.1 & 17.1

C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 152.39 Lacs. as at March 31, 2022 (Rs. 169.07 Lacs. as at March 31, 2021).

D. The Company has carried out the exercise of assessment of impairment of its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.

E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment. (Refer accounting policies)

F. Title Deed of Immovable Property: The Company does not hold any immovable property which is not in the name of the Company.

G. Revaluation of Property: The Company has not revalued its property, plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

#### 4 INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In Lacs)

Particulars	Computer Software	Intangible Assets Under Development
<b>Gross Carrying Amount</b>		
<b>As at March 31, 2020</b>	<b>422.43</b>	<b>23.53</b>
Additions	58.40	0.43
Capitalised during the year	-	(5.96)
Sales/Disposals/Adjustments	(41.53)	-
<b>As at March 31, 2021</b>	<b>522.36</b>	<b>18.01</b>
Additions	73.80	2.23
Capitalised during the year	-	(9.34)
Sales/Disposals/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>596.15</b>	<b>10.89</b>
<b>Accumulated Amortisation</b>		
<b>As at March 31, 2020</b>	<b>33.70</b>	<b>-</b>
Charge for the Year	31.35	-
Disposals/Adjustments	(35.44)	-
<b>As at March 31, 2021</b>	<b>100.48</b>	<b>-</b>
Charge for the Year	32.58	-
Disposals/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>133.07</b>	<b>-</b>
<b>Net Block Value</b>		
<b>As at March 31, 2021</b>	<b>421.88</b>	<b>18.01</b>
<b>As at March 31, 2022</b>	<b>463.09</b>	<b>10.89</b>

(a) Capital Work-in-progress (CWIP) Ageing Schedule : Projects in progress (₹ In Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	-	2.08
1-2 years	2.08	42.91
2-3 years	-	12.93
More than 3 years	47.45	-
<b>Total</b>	<b>49.53</b>	<b>57.92</b>

(b) Intangible Asset Under Development (IAUD) Ageing Schedule : Projects in progress (₹ In Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	2.25	0.43
1-2 years	-	12.37
2-3 years	6.04	5.20
More than 3 years	2.60	-
<b>Total</b>	<b>10.89</b>	<b>18.01</b>

## 5 Financial Assets

### 5.1 Investments (At Cost) (Unquoted fully paid-up unless otherwise stated) (₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments in Others :</b>		
(i) Equity Instrument of Others ( in Cosmos Bank )	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

#### Note:

- Fair Valuation of Investment Property:** The Company has not done fair market valuation of its investment property during the year.
- Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

### 5.2 Other Financial Assets (₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Security Deposits	286.52	289.91
Less: Provision for Doubtful Deposits	(42.74)	(42.74)
<b>Total</b>	<b>243.79</b>	<b>247.17</b>

## 6 Non-Current Tax Assets (Net) (₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	24.58	1,734.43
<b>Total</b>	<b>24.58</b>	<b>1,734.43</b>

## 7 Other Non-Current Assets (₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
(i) Miscellaneous Expenditure	10.50	-
(ii) Capital Advances	32.39	25.39
(iii) Balance with the Government Authorities	444.15	416.06
Less: Provision for Doubtful Assets	(280.49)	(280.49)
<b>Total</b>	<b>206.55</b>	<b>160.96</b>

#### (a) Loans and Advances to Promoters, Directors, KMP's and Related Parties.

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

#### Repayable on demand (₹ In Lacs)

Type of Borrower	As at March 31, 2021	During the year		As at March 31, 2022
		Given	Recoverd	
<b>Related Parties</b>				
Shakti Green Industries Pvt. Ltd.	-	42.25	42.25	-

## CURRENT ASSETS

### 8 Inventories

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Raw Material	8,848.41	5,491.81
(ii) Packing Material & Consumables	90.88	184.71
(iii) Work In Process	4,109.84	3,019.27
(iv) Finished Goods	8,157.88	4,267.31
(v) Stock in Transit	375.69	377.59
<b>Total</b>	<b>21,582.69</b>	<b>13,340.68</b>

#### Notes:

- 1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Valued at lower of cost and Net Realisable value unless otherwise stated (Refer accounting policies)

### 9 Financial Assets

#### 9.1 Trade Receivables

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, at amortised cost)</b>		
(i) Considered good	38,277.58	26,456.75
(ii) Considered doubtful	103.24	27.51
Less : Provision for expected credit Loss	(103.24)	(27.51)
<b>Total</b>	<b>38,277.58</b>	<b>26,456.75</b>

#### Notes:

- 1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Trade receivables are usually non-interest bearing and are on trade terms of 30 to 180 days.
- 3 Related party transactions & balance {Refer note no. 38}

#### (a) Trade Receivable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2022

(₹ In Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	2,514.52	-	-	-	2,514.52
less than 6 months	31,351.39	-	-	-	31,351.39
6 months - 1 year	2,378.72	-	-	-	2,378.72
1-2 year	929.99	5.05	103.24	-	1,038.28
2-3 year	587.49	0.19	-	-	587.68
> 3 years	486.73	23.50	-	-	510.23
<b>Total</b>	<b>38,248.85</b>	<b>28.73</b>	<b>103.24</b>	<b>-</b>	<b>38,380.82</b>

**(b) Trade Receivable Ageing Schedule**

(Ageing from due date of payment)

As at March 31, 2021

(₹ In Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	1,735.59	-	-	-	1,735.59
less than 6 months	20,460.58	-	-	-	20,460.58
6 months - 1 year	2,005.18	-	-	-	2,005.18
1-2 year	1,339.77	5.05	27.51	-	1,372.33
2-3 year	588.68	0.19	-	-	588.86
> 3 years	298.21	23.50	-	-	321.71
<b>Total</b>	<b>26,428.01</b>	<b>28.73</b>	<b>27.51</b>	<b>-</b>	<b>26,484.26</b>

**9.2 Cash and Cash Equivalents**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Cash in Hand	2.37	4.34
(ii) Balance with Scheduled Banks :		
(a) In Current Accounts	2,181.86	570.14
(b) Fixed Deposit with Maturity less than 3 Months	940.76	1,582.95
<b>Total</b>	<b>3,124.99</b>	<b>2,157.43</b>

**9.3 Other Bank Balances**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In Fixed Deposit Accounts	1,316.80	1,972.46
(ii) Unclaimed Dividend	18.32	17.37
<b>Total</b>	<b>1,335.12</b>	<b>1,989.84</b>

**Notes:**

- Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.
- The Company can utilise the balance of unclaimed dividend towards settlement of unclaimed dividend.

**9.4 Others Financial Assets**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured- considered good)</b>		
(i) Security Deposits	224.50	278.26
(ii) Interest Receivable on Fixed Deposits with Bank	144.55	105.65
<b>Total</b>	<b>369.05</b>	<b>383.91</b>



## 10 Current Tax Assets (Net)

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	114.79	-
<b>Total</b>	<b>114.79</b>	<b>-</b>

## 11 Other Current Assets

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured- considered good)</b>		
(i) Prepaid Expenses	785.82	361.62
(ii) Advance to Suppliers	591.82	517.30
(iii) Statutory and Other Receivables	5,078.08	4,896.14
<b>Total</b>	<b>6,455.72</b>	<b>5,775.06</b>

## EQUITY

### 12 Share Capital

(₹ In Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b>				
Equity Shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
15 % Compulsory Convertible Preference Shares of Rs.100/- each	15,00,000	1,500.00	15,00,000	1,500.00
<b>Total</b>	<b>2,65,00,000</b>	<b>4,000.00</b>	<b>2,65,00,000</b>	<b>4,000.00</b>
<b>Issued &amp; Subscribed :</b>				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
<b>Total</b>	<b>1,85,60,356</b>	<b>1,856.04</b>	<b>1,85,60,356</b>	<b>1,856.04</b>
<b>Paid Up Capital :</b>				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
<b>Total</b>	<b>1,83,80,156</b>	<b>1,838.02</b>	<b>1,83,80,156</b>	<b>1,838.02</b>

#### 12.1 Terms/rights attached to the equity shares :

- (i) The Company has only one class of equity shares having a par value of ₹ 10/- per share.
- (ii) Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- (iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

12.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

(a) Equity Shares :

(₹ In Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	1,838.02
Add: Additional equity shares issued during the year	-	-	-	-
Less: Equity shares forfeited/bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>1,83,80,156</b>	<b>1,838.02</b>	<b>1,83,80,156</b>	<b>1,838.02</b>

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
(i) Mr. Dinesh Patidar	37,68,100	20.50%	37,68,100	20.50%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
(iii) Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	9,32,000	5.07%

12.5 Shareholding of Promoters

(a) Shares held by promoters at March 31, 2022

Name of the Promoter	No. of Shares	% of total shares	% change 2021-22
(i) Mr. Dinesh Patidar	37,68,100	20.50%	-
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	-
(v) Vintex Tools Private Limited	5,48,000	2.98%	5.59%
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
<b>Total</b>	<b>1,00,76,300</b>	<b>54.82%</b>	
Total No of Shares issued and Subscribed	1,83,80,156		

**(b) Shares held by promoters at March 31, 2021**

Name of the Promoter	No. of Shares	% of total shares	% change 2020-21
(i) Mr. Dinesh Patidar	37,68,100	20.50%	2.26%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	100%
(v) Vintex Tools Private Limited	5,18,994	2.82%	-
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
<b>Total</b>	<b>1,00,47,294</b>	<b>54.66%</b>	
Total No of Shares issued and Subscribed	1,83,80,156		

**13 Other Equity**

(₹ In Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at April 1, 2020</b>	<b>49.87</b>	<b>8,797.81</b>	<b>9,636.71</b>	<b>6,145.82</b>	<b>58.97</b>	<b>(12.18)</b>	<b>24,677.00</b>
<b>Add/(Less):</b>							
<b>Appropriations/Adjustments :</b>							
Profit for the year	-	-	-	7,558.64	-	-	7,558.64
Foreign currency translation	-	-	-	-	52.47	-	52.47
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	-	-	46.67	46.67
Unrealised Exchange Gain/Loss	-	-	-	-	-	(111.85)	(111.85)
<b>Balance as at March 31, 2021</b>	<b>49.87</b>	<b>8,797.81</b>	<b>9,636.71</b>	<b>13,704.47</b>	<b>111.44</b>	<b>(77.37)</b>	<b>32,222.92</b>
<b>Add/(Less):</b>							
<b>Appropriations/Adjustments :</b>							
Profit for the year	-	-	-	6,481.60	-	-	6,481.60
Foreign currency translation	-	-	-	-	67.31	-	67.31
Dividend & Dividend Tax	-	-	-	(1,470.41)	-	-	(1,470.41)
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	-	-	(27.91)	(27.91)
Unrealised Exchange Gain/Loss	-	-	-	-	-	206.14	206.14
<b>Balance as at March 31, 2022</b>	<b>49.87</b>	<b>8,797.81</b>	<b>9,636.71</b>	<b>18,715.65</b>	<b>178.76</b>	<b>100.86</b>	<b>37,479.65</b>

**Note:**

- Capital reserve:** The reserve will be utilised in accordance with the provisions of the Act.
- Securities premium:** Securities premium is credited when shares are issued at premium. This will be utilised in accordance with the provisions of the Act.

3. **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
4. **General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
5. **Foreign exchange fluctuation reserve:** The Foreign exchange fluctuation reserve is created by way of foreign currency translation impact on balance sheet as well as profit and loss statement items for converting in Indian rupees. This reserve is utilised in accordance with the provisions of the Act.
6. **Other Comprehensive Income :** The Other Comprehensive Income is created by way of Re-measurement gains/(loss) on defined benefit plans, Unrealised exchange gain/(loss) and tax there on. This reserve is utilised in accordance with the provisions of the Act.

## NON-CURRENT LIABILITIES

### 14 Financial Liabilities

#### 14.1 Non Current Borrowings

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Term Loans:</b>		
(i) Term loan from Bank		
Rupee Loan	968.79	1,975.18
Foreign Currency Loan	732.87	977.87
<b>Other:</b>		
(ii) Vehicle Loan from Bank	-	7.24
<b>Less: Current Maturities of Long Term Borrowings</b>	<b>(771.29)</b>	<b>(968.63)</b>
<b>Total</b>	<b>930.37</b>	<b>1,991.66</b>

- (a) Interest rate of the above loan in range between 6.00% to 9.50%
- (b) Borrowings from banks are secured by way of :-
  - (i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
  - (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (c) Amount payable during next 12 months, disclosed under the head "Current Borrowings" (Note No. 17.1)
- (d) Vehicle Loans are secured by respective vehicles.
- (e) Corporate Guarantee of holding company for loan of subsidiary company in Previous year.
- (f) **Utilisation of Borrowings taken from Bank and Financial Institution**

-The company has not taken any fresh loan from banks and financial institutions during The year.

#### (g) Maturity Profile of the above loan as below :

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Within One year	771.29	968.63
(ii) Two to Five years	930.37	1,991.66
<b>Total</b>	<b>1,701.66</b>	<b>2,960.29</b>

## 14.2 Lease Liability

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	101.01	43.75
<b>Total</b>	<b>101.01</b>	<b>43.75</b>

Amount payable during next 12 months, disclosed under the head "Lease Liability [Current]" (Note No. 17.2)

Disclosures as required by Ind AS 116 'Lease' are stated below

### (a) Lease Liability Movement

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance /Transaction Adjustment	49.24	47.11
Add: Addition during the year	65.22	2.57
Interest on lease liability	10.88	5.05
Less: Lease rental payments	(12.17)	(5.49)
<b>Total</b>	<b>113.18</b>	<b>49.24</b>

### (b) Maturity Analysis of Lease Liabilities

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Not later than one year	12.17	5.49
(ii) Later than one year but not later than five years	48.67	21.96
(iii) Later than five years	52.34	21.79
<b>Total</b>	<b>113.18</b>	<b>49.24</b>

## 15 Provisions

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits :</b>		
(i) Gratuity Payable	545.97	508.86
(ii) Leave Encashment	31.13	55.50
<b>Total</b>	<b>577.09</b>	<b>564.36</b>

{Refer provision for employee benefits note no.36}

## 16 Deferred Tax Liabilities (Net)

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Tax effect of items constituting deferred tax liabilities:</b>		
(i) Property, plant and equipment	705.02	1,274.77
<b>Tax effect of items constituting deferred tax assets:</b>		
(i) Mat Credit Entitlement	(9.57)	(119.04)
<b>Total</b>	<b>695.46</b>	<b>1,155.72</b>

## CURRENT LIABILITIES

### 17 Financial liabilities

#### 17.1 Current Borrowings

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Secured Loans</b>		
Loans Repayable on Demand from Banks	8,799.46	4,914.83
Current Maturities of Long Term Borrowings	771.29	968.63
<b>Total</b>	<b>9,570.75</b>	<b>5,883.46</b>

(a) Interest rate of the above loan in range between 5.95% to 9.00%

(b) Working Capital loans and other credit facility are secured by way of :

- (i) First parri passu charge on both present and/or future, current assets including inventories & receivables.
- (ii) Second parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (iii) Personal Guarantee of Directors.
- (iv) Corporate Guarantee of holding company for loan of subsidiary company in previous year.

#### (c) Current Maturities of Long Term Debt

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term Loan from Banks	771.29	961.39
(ii) Vehicle Loan from Banks	-	7.24
<b>Total</b>	<b>771.29</b>	<b>968.63</b>

#### (d) Borrowings from Banks or Financial institutions on the basis of security of current assets

Quarterly statements of current assets filed by the Company with the banks are in agreement with the books of accounts.

#### 17.2 Lease Liability

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	12.17	5.49
<b>Total</b>	<b>12.17</b>	<b>5.49</b>

Amount payable during next 12 months.

#### 17.3 Trade payables

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Dues to Micro, Small and Medium Enterprises</b>		
- Other than above	6,359.67	5,938.94
<b>Total</b>	<b>6,359.67</b>	<b>5,938.94</b>
<b>(ii) Dues to other than Micro, Small and Medium Enterprises</b>		
- Acceptance	1,135.97	2,056.03
-Other than above	20,903.54	10,424.89
<b>Total</b>	<b>22,039.51</b>	<b>12,480.92</b>
<b>Grand Total</b>	<b>28,399.19</b>	<b>18,419.86</b>

Related party transactions & balance {Refer note no. 38}

(a) Trade Payable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2022

(₹ In Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	2,911.37	-	14,649.39	-	17,560.76
Less than 1 year	3,448.31	-	7,324.42	-	10,772.73
1-2 years	-	-	18.11	-	18.11
2-3 year	-	-	7.06	-	7.06
> 3 years	-	-	40.53	-	40.53
<b>Total</b>	<b>6,359.67</b>	<b>-</b>	<b>22,039.51</b>	<b>-</b>	<b>28,399.19</b>

(b) Trade Payable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2021

(₹ In Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	3,828.49	-	7,593.19	-	11,421.68
Less than 1 year	2,110.45	-	4,693.26	-	6,803.71
1-2 years	-	-	158.84	-	158.84
2-3 year	-	-	32.21	-	32.21
> 3 years	-	-	3.41	-	3.41
<b>Total</b>	<b>5,938.94</b>	<b>-</b>	<b>12,480.92</b>	<b>-</b>	<b>18,419.86</b>

(c) Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : ₹ 6359.67 Lacs Previous Year : ₹ 5938.94 Lacs. The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than the stipulated period, are given below:

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due and remaining unpaid	6,359.67	5,938.94
(ii) Interest paid	-	-
(iii) Interest due	-	-
(iv) Interest accrued and due	-	-
(v) Interest due and remaining unpaid	-	-

**17.4 Other Financial Liabilities**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Unclaimed Dividend *	18.32	17.37
(ii) Security Deposits Payable	144.97	98.86
(iii) Creditors for Service & Others	1,770.06	1,365.68
<b>(iv) Other Payables :</b>		
-Employee Dues	438.76	311.17
-Others	2,814.90	2,196.94
<b>Total</b>	<b>5,187.01</b>	<b>3,990.04</b>

\* Investor Education and Protection Fund will be credited, as and when due.

**18 Provisions**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits :</b>		
(i) Gratuity Payable	35.54	13.42
(ii) Leave Encashment	2.54	3.61
<b>Total</b>	<b>38.08</b>	<b>17.03</b>

{Refer provision for employee benefits note no.36}

**19 Other Current Liabilities**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Advance from Customers	396.22	414.91
(ii) Creditors for Capital Goods	850.47	73.64
(iii) Duties and Taxes payable	292.09	103.79
<b>Total</b>	<b>1,538.78</b>	<b>592.34</b>

**20 Current Tax Liabilities (Net)**

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Provision for Income Tax (Net)	-	332.82
<b>Total</b>	<b>-</b>	<b>332.82</b>



## 21 Sale of Products

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Domestic Sales	96,533.11	73,102.91
(ii) Export Sales	18,511.19	18,001.59
(iii) Other Operating Income	2,809.21	1,861.63
<b>Total</b>	<b>1,17,853.51</b>	<b>92,966.14</b>

### (a) Other Operating Income includes : (₹ In Lacs)

Particulars	2021-22	2020-21
(i) Export benefits	226.71	389.72
(ii) Scrap Sales	2,566.24	1,389.83
(iii) Income from Services	5.57	62.79
(iv) Other Operating Income	10.69	19.28
<b>Total</b>	<b>2,809.21</b>	<b>1,861.63</b>

### I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

#### a) Revenue disaggregation based on Product Type and Customer type:

- (i) Revenue disaggregation by Product Type: Pumps and Motors.
- (ii) Revenue disaggregation by Customer Type is as follows:

(₹ In Lacs)

Customer Type	2021-22	2020-21
Customers under Government Projects	81,484.21	54,226.53
Industrial Customers	1,551.96	1,747.87
OEM Customers	3,123.00	8,590.04
Export Customers	18,511.19	18,001.59
Other Customers	13,183.14	10,400.10
<b>Total</b>	<b>1,17,853.51</b>	<b>92,966.14</b>

## 22 Other Income

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Interest Income	312.33	153.26
(ii) Rent Received	12.12	13.31
(iii) Others	289.69	210.55
<b>Total</b>	<b>614.14</b>	<b>377.12</b>

**23 Cost of Material Consumed**

(₹ In Lacs)

Particulars	2021-22	2020-21
Opening Stock of Raw Material	6,054.11	5,014.24
Add: Purchase of Raw Material	98,706.47	64,878.67
	<b>1,04,760.58</b>	<b>69,892.91</b>
Less: Closing Stock of Raw Material	9,314.98	6,054.11
<b>Total</b>	<b>95,445.60</b>	<b>63,838.80</b>

**24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress**

(₹ In Lacs)

Particulars	2021-22	2020-21
<b>Inventories (at Close)</b>		
(i) Finished Goods/Stock in Trade	8,157.88	4,267.31
(ii) Work-In-Progress	4,109.84	3,019.27
<b>Total</b>	<b>12,267.72</b>	<b>7,286.57</b>
<b>Inventories ( at Opening )</b>		
(i) Finished Goods/Stock in Trade	4,267.31	6,320.48
(ii) Work-In-Progress	3,019.27	2,795.63
<b>Total</b>	<b>7,286.57</b>	<b>9,116.12</b>
<b>Change in Inventories</b>	<b>(4,981.15)</b>	<b>1,829.54</b>

**25 Employee Benefit Expenses**

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Salaries, Wages and Bonus	4,812.65	4,020.14
(ii) Contribution to Provident and Other Funds	204.88	232.94
(iii) Staff Welfare Expenses	223.66	110.64
<b>Total</b>	<b>5,241.19</b>	<b>4,363.71</b>

**26 Finance Cost**

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Interest to Bank	1,130.92	1,228.87
(ii) Interest to Other	9.47	6.52
(iii) Other Borrowing Costs	427.23	385.75
<b>Total</b>	<b>1,567.62</b>	<b>1,621.14</b>

**27 Depreciation and Amortisation Expense**

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Depreciation	1,821.93	1,803.24
(ii) Amortisation	35.53	33.22
<b>Total</b>	<b>1,857.46</b>	<b>1,836.46</b>

## 28 Other Expenses

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Power & Fuel	241.46	223.94
(ii) Job Work Expenses	64.84	117.97
(iii) Clearing & Forwarding Charges	113.19	86.67
(iv) Freight Charges	1,454.32	794.13
(v) Travelling Expenses	237.15	109.56
(vi) Advertising Expenses	198.09	159.58
(vii) ECGC Premium	27.60	28.15
(viii) Selling & Distribution Expenses	5,550.47	3,938.99
(ix) Legal, professional and consultancy charges	406.98	343.92
(x) Rent	185.67	142.91
(xi) Manufacturing Expenses	493.70	829.26
(xii) Auditors Remuneration	13.60	6.33
(xiii) Corporate Social Responsibility Expenses	75.96	114.76
(xiv) Rates and taxes	170.45	182.62
(xv) Repair & Maintenance	135.59	107.96
(xvi) Conveyance Expenses	267.76	207.00
(xvii) Communication Expenses	209.82	133.86
(xviii) Directors Remuneration	958.46	907.16
(xix) Office & Administrative Expenses	109.84	129.24
(xx) Bad Debts Written off	24.04	24.06
(xxi) Provision for Doubtful Debts / Security Deposits	75.73	61.25
(xxii) Donations and Contributions	0.05	25.00
(xxiii) Software Maintenance Expenses	80.20	49.95
(xxiv) Miscellaneous Expenses	7.73	4.69
	<b>11,102.73</b>	<b>8,728.98</b>

### 28.1 Payment To Auditors :

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) For Audit	10.00	5.00
(ii) For Taxation Matters	-	-
(iii) For Other Services-Including components auditor	3.60	1.33
<b>Total</b>	<b>13.60</b>	<b>6.33</b>

**29 Earnings Per Share**

(₹ In Lacs)

Particulars	2021-22	2020-21
<b>Profit / (Loss) for the year as per Statement of Profit and Loss</b>	<b>6,481.60</b>	<b>7,558.64</b>
Weighted Average Number of Shares	18,380,156	18,380,156
Weighted average number of equity shares, (nos) for Basic DPS	18,380,156	18,380,156
Face Value of Share (Rs.)	10.00	10.00
<b>Basic Earning Per Share</b>	<b>35.26</b>	<b>41.12</b>
<b>Diluted Earning Per Share</b>	<b>35.26</b>	<b>41.12</b>

**30 Proposed Dividend**

A dividend at the rate of 20% i.e. Rs.2/- per equity share is recommended by the Board of Directors at their meeting held on May 02, 2022 which is subject to approval at the ensuing Annual General Meetings, and if approved will be payable within the statutory time limits of 30 Days.

**31 Research & Development**

Nature of Expenditure	2021-22	2020-21
(i) Capital Expenditure	113.92	77.32
(ii) Revenue Expenditure	338.62	253.06
<b>Total Expenditure Incurred</b>	<b>452.54</b>	<b>330.38</b>
Less: Income Earned by R&D	0.01	0.25
<b>Net Expenditure Incurred</b>	<b>452.53</b>	<b>330.13</b>

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies)

**32 Contingent Liabilities**

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Bank Guarantee Outstanding	8,461.75	7,962.33
(ii) Unexpired Letter of Credit	14,684.45	6,834.21
(iii) Corporate Guarantee Outstanding	-	2,350.00
(iv) Commercial Tax Demand under Dispute	73.58	94.38
(v) Income Tax Demand Under Dispute	3,883.54	3,759.64
(vi) Custom Duty Demand Under Dispute	1,387.44	971.95
Less : Provision for Doubtful Assets	(280.49)	(280.49)
<b>Total</b>	<b>28,210.26</b>	<b>21,692.02</b>

### 33 Expenditure in Foreign Currency on Account of :

(₹ In Lacs)

Particulars	2021-22	2020-21
(i) Travelling Expenses	51.83	8.45
(ii) Advertisement Expenses	-	1.58
(iii) Commission on Sales	2.84	20.33
(iv) Software Development Expenses	10.53	12.18
(v) Legal, Professional and Consultancy charges	-	0.55
(vi) Testing & Other Charges	-	5.77
<b>Total</b>	<b>65.20</b>	<b>48.84</b>

### 34 Other Amendments with respect to Schedule III :

- (i) The company does not have any transactions with companies struck off.
- (ii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (iv) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (v) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (vi) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not advance or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 35 Corporate Social Responsibility (CSR)

(₹ In Lacs)

The company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

Particulars	2021-22	2020-21
1 Gross amount required to be spent by the company during the year.	75.96	114.76
2 <b>Amount approved by the Board to be spent during the year:</b>		
(a) Ongoing	-	-
(b) Other than ongoing	75.96	114.76
<b>Total</b>	<b>75.96</b>	<b>114.76</b>
3 <b>Amount spent during the year on:</b>		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	75.96	114.76
<b>Total</b>	<b>75.96</b>	<b>114.76</b>

Particulars	2021-22	2020-21
4 Shortfall at the end of the year,	-	-
5 Total of previous years shortfall,	-	70.60
6 Reason for shortfall-	N.A.	N.A.
<b>7 Nature of CSR activities-</b>		
(a) I&C Charges of 5hp CSR Site Mandu	0.12	-
(b) Donation To Homeopathic Rogi Kalyan	0.50	-
(c) Shakti Foundation	75.35	83.23
(d) Parcel lunch box COVID-19 & Sanitization	-	0.73
(e) Construction of Girls Hostel	-	25.00
(f) Installation of Solar Pumps System	-	2.70
(g) Donation for Mandu Ustav	-	0.10
(h) Donation to Police Welfare	-	1.00
(i) Installation of Pumps and Motors system	-	0.37
(j) Installation of Solar Pump system at Nalcha, Mandu	-	1.83
<b>Total</b>	<b>75.96</b>	<b>114.96</b>
8 Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,		
(a) Shakti Foundation	75.35	83.23
9 where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.		
	N.A.	N.A.
<b>10 Disclosures under section 135(5) and 135(6)</b>		
<b>A In case of S. 135(5) unspent amount</b>		
Opening Balance	-	70.60
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent	-	70.60
Amount spent during the year	-	70.60
<b>Shortfall / (Excess)</b>	<b>-</b>	<b>-</b>

## 36 Employee Benefit Obligations

### 36.1 Defined Contribution Plan :

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per IND-AS 19.

Particulars	2021-22	2020-21
Employers Contribution to Provident Fund/ Pension Fund	129.87	127.00
Employers Contribution to ESIC	3.02	4.32
<b>Total</b>	<b>132.89</b>	<b>131.33</b>

### 36.2 Defined Benefit Plan for Gratuity & for Leave Encashment :

- (i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

(ii) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**a) Asset Volatility :**

- (i) The plan liabilities are calculated using a discount rate; if plan assets under perform compared to the discount rate, this will create or increase a deficit.
- (ii) As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

**b) Life Expectancy :**

The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

The amounts recognized in the Balance Sheet are as follows : (₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Present value of obligation at the end of year	33.67	59.11	607.32	542.28
Fair value of plan assets at the end of year	-	-	25.82	20.00
<b>Net liability recognized in the Balance Sheet</b>	<b>33.67</b>	<b>59.11</b>	<b>581.50</b>	<b>522.28</b>

The amounts recognized in the Statement of Profit and Loss are as follows: (₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Current Service Cost	1.58	9.50	39.64	52.34
Interest Cost	4.18	4.93	37.31	35.09
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	(28.85)	(23.53)	-	-
<b>Total, included in Employee Benefit Expenses</b>	<b>(23.09)</b>	<b>(9.09)</b>	<b>76.95</b>	<b>87.43</b>

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Defined benefit obligation at beginning of the year	59.11	73.81	546.24	567.54
Current Service Cost	1.58	9.50	39.64	52.34
Past Service Cost	-	-	-	-
Interest Cost	4.00	4.93	38.73	38.48
Benefits Paid	(2.18)	(5.61)	(37.21)	(43.62)
Actuarial (Gain)/ Loss	(28.85)	(23.53)	19.92	(72.46)
<b>Defined benefit obligation at the end of the year</b>	<b>33.23</b>	<b>59.11</b>	<b>607.32</b>	<b>542.28</b>

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

(₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(i) Discount Rate	6.78%	7.09%	6.78%	7.09%
(ii) Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
(iii) Expected Rate of Return on Plan Assets	None	None	7.44%	7.84%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

(₹ In Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(i) Retirement Age	60 years	60 years	60 years	60 years
(ii) Employee Turnover :				
18-30 Years	3.00%	3.00%	3.00%	3.00%
30-45 Years	2.00%	2.00%	2.00%	2.00%
Above 45 Years	1.00%	1.00%	1.00%	1.00%

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity :

(₹ In Lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2022	100 Basis Points	(75.85)	91.52
	2021	100 Basis Points	(72.11)	87.81
(ii) Salary Growth Rate	2022	100 Basis Points	92.00	(77.50)
	2021	100 Basis Points	87.89	(73.41)

Leave Encashment :

(₹ In Lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2022	100 Basis Points	(4.77)	6.05
	2021	100 Basis Points	(7.69)	9.46
(ii) Salary Growth Rate	2022	100 Basis Points	5.90	(4.87)
	2021	100 Basis Points	9.47	(7.83)



**Gratuity :****(₹ In Lacs)**

Expected Cash Flow for the Next Ten Years	March 31, 2022	March 31, 2021
Year 2022	-	13.86
Year 2023	36.04	38.84
Year 2024	25.61	26.79
Year 2025	20.94	21.88
Year 2026	32.72	33.48
Year 2027	38.21	-
Year 2027 - 2031	-	295.85
Year 2028 - 2032	357.37	-

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rate is based on prevailing market yields on government securities as at balance sheet date for the estimated term of the obligations.

**37 Income Tax Expenses****(₹ In Lacs)**

Particulars	2021-22	2020-21
<b>(i) Profit or Loss Section</b>		
Current Tax Expenses on Profit before tax	2,224.81	2,491.92
(Short)/Excess provision for tax relating to prior period	(0.28)	-
Deferred Tax	(471.93)	1,074.07
<b>Total Income Tax Expenses Recognised in Statement of Profit &amp; Loss</b>	<b>1,752.60</b>	<b>3,565.99</b>
<b>(ii) Other Comprehensive Income (OCI) Section</b>		
Income tax charged to OCI	9.37	(24.70)
<b>(iii) Reconciliation of Effective Tax Rate</b>		
A) Profit Before Tax	8,234.20	11,124.63
B) Enacted Tax Rate In India	25.17%	34.94%
C) Expected Tax Expenses	2,072.38	3,887.39
D) <b>Tax Effect of</b>		
- Difference Between Book Depreciation And Tax Depreciation	286.51	4.78
- Deduction on account of Research and Development Expenses	-	(77.32)
- Other Provisions	319.12	(3,920.92)
E) <b>Net Adjustment</b>	<b>605.62</b>	<b>(3,993.46)</b>
F) Tax Expenses/(Saving) on Net Adjustment (E*B)	152.42	(1,395.47)
G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F)	2,224.81	2,491.92
H) Excess/(Short) Provision for tax relating to prior year	(0.28)	-
I) Changes on Account of Deferred Tax	(471.93)	1,074.07
<b>Net Current Tax Expenses Recognised in Statement of Profit &amp; Loss (G+H+I)</b>	<b>1,752.60</b>	<b>3,565.99</b>

**38 Related Party Disclosure as required by Indian Accounting Standard 24 is as below : (₹ In Lacs)****(i) List of Related Parties and Relationships****S.No. Description of Relationship & Name of Related Party :****1. Enterprise over which Key Management are able to exercise Significant Influence :**

- (i) Shakti Irrigation India Ltd.
- (ii) Vintex Tools Pvt. Ltd.
- (iii) Arsh Industrial Solutions Pvt. Ltd.
- (iv) Shakti Irrigation Pvt. Ltd.
- (v) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

**2. Key Managerial Personnel :**

- (i) Mr. Dinesh Patidar - Managing Director
- (ii) Mr. Sunil Patidar - Whole Time Director
- (iii) Mr. Ramesh Patidar - Whole Time Director
- (iv) Mr. Dinesh Patel: - Chief Financial Officer
- (v) Mr. Ravi Patidar: - Company Secretary & Compliance Officer
- (vi) Mrs. Indira Patidar - Whole Time Director (in Subsidiary Company i.e. Shakti Energy Solutions Private Limited)

**(ii) Transaction with Related Parties :****(₹ In Lacs)**

S. No	Name of Party	Nature of Transaction	2021-22	2020-21
1	Shakti Irrigation India Ltd.	Purchase of Components (excluding transit)	1,497.43	1,234.36
		Purchase of Asset	-	2.02
		Sale of Pumps & Motors & other material	18.77	102.34
		Sale of Assets	-	0.11
2	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material (excluding transit)	53.86	115.17
		Purchase of Assets (excluding transit)	1,045.57	826.94
		Sale of Spare parts (excluding transit)	23.35	12.40
3	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	1,137.28	986.63
		Purchase of Asset	-	19.24
		Sale of Asset	-	47.20
		Sale of Spare Parts	156.02	352.74
4	Shakti Irrigation Pvt. Ltd.	Purchase of Pipes	2,797.33	1,850.04
		Sale of Pumps, Motors & other material	33.14	5.19
		Income from Rent	12.12	13.31
5	Mr. Dinesh Patidar	Remuneration	900.00	450.00
		Sales Incentive	-	406.05
6	Mr. Sunil Patidar	Remuneration	12.00	9.65
		Other Allowances	0.62	0.60
7	Mr. Ramesh Patidar	Remuneration	44.34	32.33
		Sales Incentive	-	5.00
		Other Allowances	1.51	1.53
8	Mr. Dinesh Patel	Remuneration	21.89	15.98
9	Mr. Ravi Patidar	Remuneration	13.00	9.92

**(iii) Related Party Balance :****(₹ In Lacs)**

S. No	Nature	Name of Party	As at March 31, 2022	As at March 31, 2021
1	Trade Receivables	Shakti Irrigation India Ltd.	3.34	61.45
		Vintex Tools Pvt. Ltd.	5.97	-
		Arsh Industrial Solutions Pvt. Ltd.	54.66	66.31
2	Trade Payables	Shakti Irrigation Private Ltd.	4.93	1.40
		Shakti Irrigation India Ltd.	667.38	70.57
		Vintex Tools Pvt. Ltd.	971.45	1,009.60
		Arsh Industrial Solutions Pvt. Ltd.	174.51	321.17
		Shakti Irrigation Private Ltd.	477.32	302.45

**39 Financial Instruments****A. Fair Values****(₹ In Lacs)**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company

Financial Instruments by category	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	4,460.11	4,147.27	4,460.11	4,147.27
Investments	0.02	0.02	0.02	0.02
Other Financial Assets	612.83	631.07	612.83	631.07
Trade Receivables	38,277.58	26,456.75	38,277.58	26,456.75
<b>Total</b>	<b>43,350.55</b>	<b>31,235.11</b>	<b>43,350.55</b>	<b>31,235.11</b>
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	28,399.19	18,419.86	28,399.19	18,419.86
Borrowings	10,501.12	7,875.12	10,501.12	7,875.12
Other Financial Liabilities	5,300.18	4,039.28	5,300.18	4,039.28
<b>Total</b>	<b>44,200.49</b>	<b>30,334.26</b>	<b>44,200.49</b>	<b>30,334.26</b>

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

**Fair Value Hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

## Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(₹ In Lacs)

Particulars	As at March 31, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	4,460.11	-	-	4,460.11
Investments	0.02	-	-	0.02
Other Financial Assets	612.83	-	-	612.83
Trade Receivables	38,277.58	-	-	38,277.58
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	28,399.19	-	-	28,399.19
Borrowings	10,501.12	-	-	10,501.12
Other Financial Liabilities	5,300.18	-	-	5,300.18

(₹ In Lacs)

Particulars	As at March 31, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised Cost</b>				
Cash and Bank Balances	4,147.27	-	-	4,147.27
Investments	0.02	-	-	0.02
Other Financial Assets	631.07	-	-	631.07
Trade Receivables	26,456.75	-	-	26,456.75
<b>Financial Liabilities at Amortised Cost</b>				
Trade Payables	18,419.86	-	-	18,419.86
Borrowings	7,875.12	-	-	7,875.12
Other Financial Liabilities	4,039.28	-	-	4,039.28

**B. Financial Risk Management**

Shakti Pumps (India) Limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Company.

**1. Capital Management :**

The company's capital management objectives are:

- (i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.
- (ii) The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt equity ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.

(iv) Debt Equity Ratio is as follows:

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (A)	10,501.12	7,875.12
Equity (B)	39,317.67	34,060.94
<b>Debt Equity Ratio (A/B)</b>	<b>0.27</b>	<b>0.23</b>

## 2. Credit Risk :

- (i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.
- (ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

## 3. Liquidity Risk :

**Liquidity Risk Management :** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings :

(₹ In Lacs)

Exposure to Risk	As at March 31, 2022	As at March 31, 2021
<b>Interest bearing borrowings:</b>		
On Demand	8,799.46	4,914.83
Less than 180 Days	385.64	484.32
181-365 Days	385.64	484.32
More than 365 Days	930.37	1,991.66

## 4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

### a) Foreign Currency Exchange Rate Risk :

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

## Foreign Currency Exposures :

(₹ In Lacs)

Particulars	Foreign Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade receivables/Advance	USD	43.02	3,234.95	43.01	3,079.33
from customer :	EUR	0.49	40.50	1.45	123.49
<b>Total</b>			<b>3,275.45</b>		<b>3,202.82</b>
II. Advance for Capital Goods :	USD	-	-	0.06	4.17
<b>Total</b>			<b>-</b>		<b>4.17</b>
III. Borrowing balances :	USD	10.19	732.87	13.60	977.87
<b>Total</b>			<b>732.87</b>		<b>977.87</b>
IV. Trade payables :	USD	14.74	1,108.60	17.16	1,228.72
	EUR	2.18	179.25	2.16	183.46
<b>Total</b>			<b>1,287.85</b>		<b>1,412.18</b>

## Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ In Lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
<b>March 31, 2022</b>			
Based on YOY change between F21 & F22	USD	+10%	139.35
	USD	-10%	(139.35)
	EUR	+10%	(13.87)
	EUR	-10%	13.87
<b>March 31, 2021</b>			
Based on YOY change between F20 & F21	USD	+10%	87.69
	USD	-10%	(87.69)
	EUR	+10%	(6.00)
	EUR	-10%	6.00

## b) Interest Rate Risk :

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

(₹ In Lacs)

Floating Interest rate exposure :	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans :</b>		
Loans repayable taken from Banks:	8,799.46	4,914.83
<b>Total</b>	<b>8,799.46</b>	<b>4,914.83</b>

**Interest Rate Sensitivity :**

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

(₹ In Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
<b>As at March 31, 2022</b>	+100	(87.99)
	-100	87.99
<b>As at March 31, 2021</b>	+100	(49.15)
	-100	49.15

**40 Segment reporting**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of pump sets, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

**Information about Operating Segments:**

(₹ In Lacs)

Particular	2021-22	2020-21
<b>1. Segment Revenue</b>		
India	1,28,937.21	97,409.88
Overseas	11,552.11	10,984.80
<b>Total Segment Revenue</b>	<b>1,40,489.32</b>	<b>1,08,394.68</b>
Inter segment sales	(22,021.67)	(15,051.42)
<b>Income from Operations</b>	<b>1,18,467.65</b>	<b>93,343.26</b>
<b>2. Segment Results</b>		
<b>Profit/(Loss) before Finance Costs, Exceptional Items &amp; Tax</b>		
India	8,706.25	11,597.91
Overseas	1,095.57	1,147.86
<b>Total</b>	<b>9,801.82</b>	<b>12,745.77</b>
Less: Finance Cost	1,567.62	1,621.14
<b>Profit before Exceptional Items &amp; Tax</b>	<b>8,234.20</b>	<b>11,124.63</b>
Exceptional Items	-	-
<b>Profit before Tax</b>	<b>8,234.20</b>	<b>11,124.63</b>

Particular	2021-22	2020-21
<b>3. Capital Employed</b>		
<b>(Segment Assets)</b>		
India	80,691.66	61,698.13
Overseas	5,675.91	5,359.34
<b>Total Segment Assets</b>	<b>86,367.57</b>	<b>67,057.47</b>
<b>(Segment Liabilities)</b>		
India	45,853.53	31,412.84
Overseas	1,196.37	1,583.68
<b>Total Segment Liabilities</b>	<b>47,049.90</b>	<b>32,996.52</b>
<b>Net Capital Employed</b>		
<b>(Segment Assets-Segment Liabilities)</b>		
India	34,838.13	30,285.28
Overseas	4,479.54	3,775.66
<b>Total Capital Employed</b>	<b>39,317.67</b>	<b>34,060.94</b>

#### 41 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013

(₹ In Lacs)

Name of the Entity	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>F.Y. 2021-22</b>				
<b>a) Parent</b>				
Shakti Pumps India Limited	81.19%	31,922.46	72.57%	4,703.83
<b>b) Subsidiaries</b>				
<b>Indian</b>				
Shakti Energy Solutions Pvt. Ltd.	7.29%	2,864.67	12.76%	826.82
<b>Foreign</b>				
Shakti Pumps LLC, USA	5.91%	2,324.63	6.24%	404.61
Shakti Pumps FZE , UAE	5.39%	2,117.54	8.42%	545.82
Shakti Green Industries Pvt Ltd.	0.13%	51.00	0.00%	-
Shakti Pumps (Shanghai) Limited, China	0.02%	8.09	-0.04%	(2.38)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	29.28	0.04%	2.90
<b>c) Minority Interest</b>				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>39,317.67</b>	<b>100%</b>	<b>6,481.60</b>



Name of the Entity	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>F.Y. 2020-21</b>				
<b>a) Parent</b>				
Shakti Pumps India Limited	82.93%	28,247.74	80.04%	6,049.65
<b>b) Subsidiaries</b>				
<b>Indian</b>				
Shakti Energy Solutions Pvt. Ltd.	5.98%	2,037.54	6.64%	501.55
<b>Foreign</b>				
Shakti Pumps LLC, USA	6.63%	2,256.79	6.26%	472.91
Shakti Pumps FZE , UAE	4.36%	1,483.74	6.86%	518.82
Shakti Pumps Pty Ltd., Australia *	-	-	0.26%	19.95
Shakti Pumps (Shanghai) Limited, China	0.03%	9.86	-0.10%	(7.87)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	25.27	0.05%	3.63
<b>c) Minority Interest</b>				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>34,060.94</b>	<b>100%</b>	<b>7,558.64</b>

Note :

\*In the previous year, The company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective date of closure is 15th March, 2021. The Company has been recognised related loss of ₹ 20.26 lacs.

- 42 Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.
- 43 Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
ICAI Firm Registration No. : 122384W

**Premal Gandhi**  
Partner  
M.No.111592  
UDIN: 22111592AIGKWP3921

**For and on behalf of the Board of Directors of**  
**Shakti Pumps (India) Limited**

**Dinesh Patidar**  
Chairman and Managing Director  
DIN:00549552

**Ramesh Patidar**  
Executive Director  
DIN:00931437

Place: Pithampur  
Date: May 02, 2022

**Dinesh Patel**  
Chief Financial Officer

**Ravi Patidar**  
Company Secretary  
M. No. ACS 32328





**Shakti Pumps (India) Ltd.,**

CIN: L29120MP1995PLC009327

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

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