SHAKTI

PUMPING LIFE

Date:-06.10.2018

To,	To,
The Manager,	The Manager
Listing Department	Listing Department
The National Stock Exchange of India Ltd.	BSE Limited
Exchange Plaza, BKC, Bandra (E)	Phiroze Jeejeebhoy Towers,
Mumbai 400051	Dalal Street, Mumbai, 400001

Dear Sir,

SCRIP CODE:-BSE -531431, NSE- SHAKTIPUMP.

Sub: - Submission of Annual Report of the Company for the financial year 2017-18.

In compliance with the requirements of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit copy of Annual Report for the year 2017-18 containing Notice of AGM, Board's Report, Audit Report and Financial Statements and other required attachments duly approved and adopted by the Members in their 23rd Annual General Meeting held on **Thursday 27th September, 2018** at 12.30 P.M. at Registered office of the company situated at Plot No. 401, 402 & 413 Sector III ,Industrial Area Pithampur – 454774 (M.P.) .

You are requested to take the same on your record.

Thanking You,

Yours Faithfully

For: Shakti Pumps (India) Limited

SHAKTI PUMPS (INDIA) LIMITED

Ravi Patidar
Company Secretary

Shakti Pumps (India) Ltd.
Annual Report 2017-18

SHAKTI
PUMPING LIFE

SHAKTI

THE POWER OF INNOVATION,
EFFICIENCY AND TECHNOLOGY

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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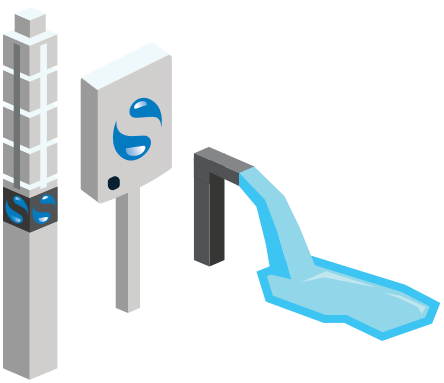


CORPORATE INFORMATION

Board of Directors

1. **Mr. Dinesh Patidar**
   Managing Director
2. **Mr. Sunil Patidar**
   Whole Time Director
3. **Mr. Ramesh Patidar**
   Whole Time Director
4. **Mr. Navin Sunderlal Patwa**
   Independent Director
5. **Mr. Shyam Sunder Raghuvanshi**
   Independent Director
6. **Mr. Pramod Kumar Bhavsar**
   Independent Director
7. **Mrs. Nishtha Neema**
   Woman Independent Director
8. **Mr. Sridhar Narayan**
   Nominee Director

Company Secretary & Compliance Officer

Mr. Ravi Patidar

Statutory Auditor

M/s Modi Manoj & Co., Mumbai

Secretarial Auditor

M/s. M. Maheshwari & Associates, Indore

Cost Auditor

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

Bankers

State Bank of India
Axis Bank
HDFC Limited

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: - prafuls@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

AN ERA OF RENEWABLES

For the first time in history, the price of renewable energy is lower than that of conventional energy.

This is the era of Clean Energy Revolution.

Shakti has made a small contribution towards - 'Clean Energy Revolution'.

The world is moving towards energy efficiency, solarisation, electric cars, etc.

Shakti, equipped with its wide range of products, is ready to take on new challenges and opportunities.

UN, ISA, along with many countries are focusing on renewable energy and reducing greenhouse gas emissions.

The company has energy efficient pumps, solar pumps and VFDs.

COMPANY AT A GLANCE

Widest Range
of energy-efficient pumps

1200+
products variants

5 Lac
Pumps manufacturing capacity

100+
countries wide presence

550+
dealer/ distributors in 19 states in India

590+
employees across the globe

Highly Rated
by BEE 5 Star, UL, Veritas, CE Mark, etc

One of India's Largest
Solar Pumping Players

Prestigious Certifications
viz. ISO 9001, 14001 and OHSAS 18000

Vision

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

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

To excel with an emphasis on best business and ethical practice with strong organizational values justifying the interests of all stakeholders.

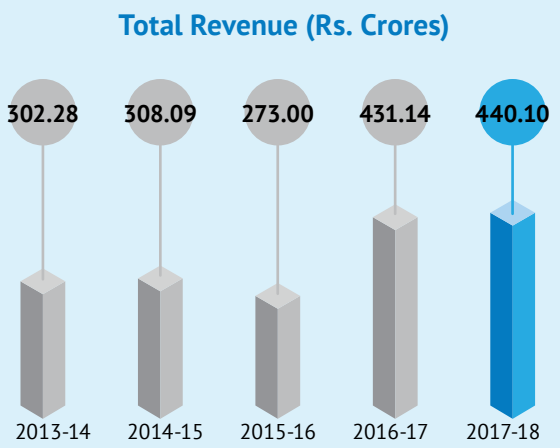
Mission

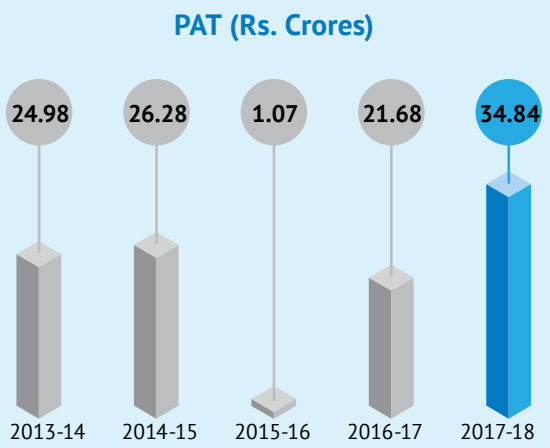
To work relentlessly towards coming closer to our vision statement by offering the best working environment and training, which focuses on integrity and ethics.

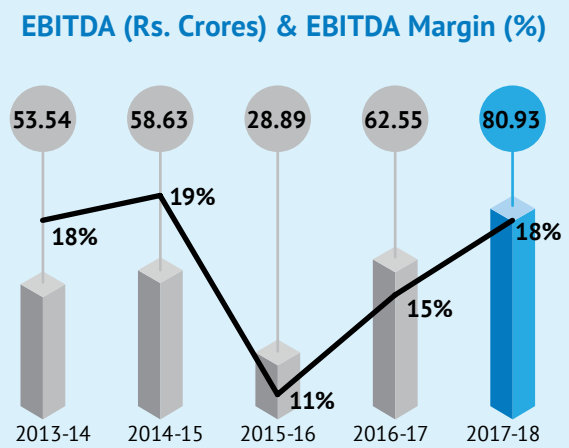
To empower the workforce to offer products and services that exceed customer expectations by providing value for money and ensure a handsome return to all our employees and shareholders.

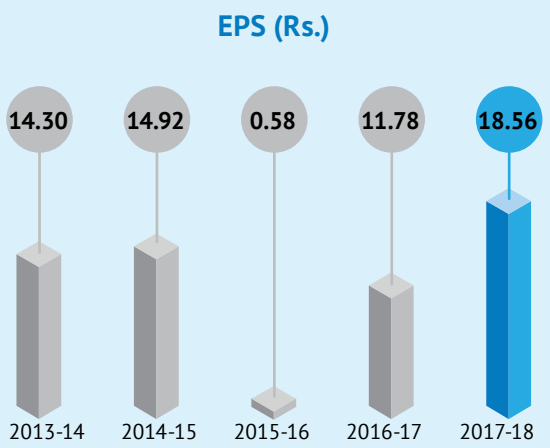
To create a safe workplace by reducing injuries and accidents while initiating an impactful environmental accountability for the current and future generations.

KEY FINANCIAL HIGHLIGHTS

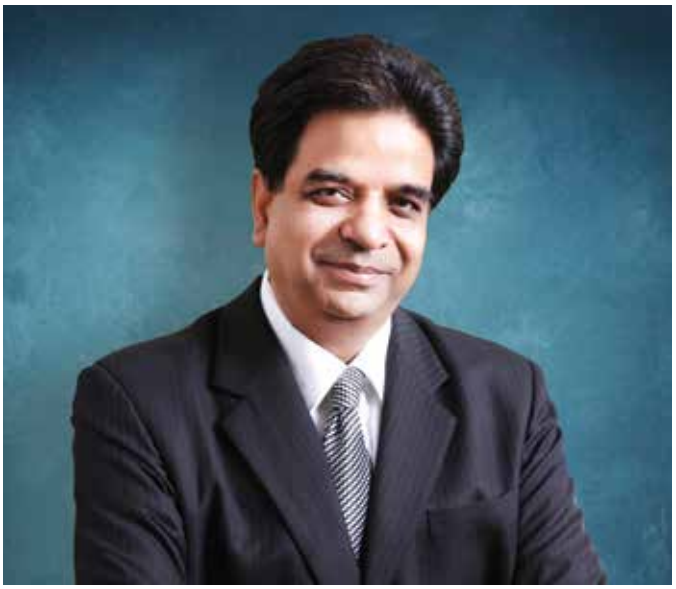








CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me immense pleasure to share with all the stakeholders the Annual report of the company for the financial year 2018.

Financially, the company had an overall healthy performance considering the volatile economic and industrial scenario. Gross revenues increased by 1.76% to Rs. 43,660 Lakhs in 2017-18, compared with Rs. 42,904 Lakhs reported in 2016-17. Operating profit (EBITDA) increased by 29.36% to Rs. 8,093 Lakhs in during 2017-18 from Rs. 6,256 Lakhs in 2016-17. Net profit for the year under review stood at Rs. 3,411 Lakhs in comparison to Rs. 2,164 Lakhs in the previous financial year which has increased by 58%.

Our domestic business was almost similar to last year. Exports have grown to 130 Cr, with an increase of 11%. The Company has extended its value add and higher margin business along with existing export market focus. With various announcements like KUSUM Yojana, International Solar Alliance, the State Government's Solar Pumping projects, solar pumping has become a key area for the company. We are looking forward to benefiting from the opportunities provided by Kusum, an initiative by the Government of India, in which MNRE is looking to spend Rs 50,000 crores in the next 3-4 years primarily on solar pumping solutions and solar energy generations. The prime minister of India endeavours to double the farmers' income and Kusum Yojna is one of the step towards it. Therefore, farmers can get quality electricity and also sell the excess electricity to the government. Favourable government initiatives are identified to provide a thrust to a pronounced adoption of solar pumps across India.

The historic launch of International Solar Alliance (ISA) in November 2015 has created a new global landscape for galvanizing 'collective action' towards greater solar energy adoption. This requires global multi-factor coalitions, to come together with enormous amount of will, favorable policies and the ability to use solar resources. Several participating countries are interested in scaling solar pumping, street lighting and solar roof-top programs. A need-assessment questionnaire, developed for solar water pumping system (SWPS) and solar street lighting system (SSLS), has been circulated to all participating and ISA signatory countries. ISA is pursuing price discovery tender for aggregated demands (globally/continent-wise) for 500,000 solar pumps. Shakti is also looking to export solar pumping solutions in global markets like Africa, Asia, etc.

To continue our global expansion programs, Shakti incorporated its subsidiary in China and is about to commence Bangladesh with the prime objective of exports of solar and energy efficient pumps. Also, to source some non value added raw materials from China. Shakti is in the process to strengthen its relationship with existing dealers and appoint new partners for future growth in other geographies.

We are pleased to suggest 20% (of Profit) dividend to the shareholders of Rs. 3.70 per share (37% of face value).

To add one more feather to our cap, the company has commissioned a fully automatic plant named **electronic and control** with the help of Japanese technology, having the production capacity of 100,000 VFD per year. This product has already been launched in Raipur, yielding to a good performance. The company is inclined to move towards solar inverters and starters.

Looking ahead, the future of the industry is more keenly focused on the word 'solar'. Technological changes, awareness of effective use of electricity, increase in literacy, industrialization and governments' support have contributed towards an increase in the share of the organized sector.

In conclusion, with an urge to succeed, we continually innovate and introduce new products and pumping solutions that satisfy the market's needs. Quality is the key in all SHAKTI products. This compels the company to focus on and design with special care while selecting materials and production methods. We use advanced fabrication technology and manufacture most of the components in-house to ensure higher quality standards and performance. We believe, we are better placed today than ever before to garner the immense growth opportunity in our industry.

Sincerely,

Dinesh Patidar,
Chairman & Managing Director

CORPORATE IDENTITY

Shakti Pumps, a leading manufacturer of energy-efficient Solar Pumping solutions, Stainless Steel pumps and Motors, has established a strong and trustworthy presence in the market over the years. The products belonging to the company caters to almost all aquatic-related sectors, like agriculture, water processing, industrial, construction, hospitality, households and horticulture.

The company was incorporated in the year 1982 and has grown leaps and bounds post a humble beginning. After working laboriously to reach this scale, Shakti Pumps has emerged as the most formidable player in the country's pump manufacturing sector.

The company has carved a niche for itself in the market and has emerged as a global player because of its adaption to technology-enabled processes and design innovations at the early stages of its life cycle.

Over the years, the company has developed more than 1200 pump variants that supply water to communities, agricultural, industries, boosting water pressure in high-rises and hotels, aid in fire fighting and facilitate waste management schemes in rural and urban communities, amongst others. Shakti has a strong global foot print and is recognised as one of the most prominent pump exporters from India. The company currently is conducting business in more than 100 countries.

It is the constant endeavour of the company to focus on delivering the highest quality of products; a purposeful effort of producing the most energy-efficient submersible pumps, which are long lasting and easy to maintain. The Bureau of Energy Efficiency (BEE) has awarded Shakti with 5-star ratings for producing more than 260 pump models. Because of all these factors, the company has been able to offer its customers with one of the best pumping solutions in the world and has earned a lot of brand loyalty over the years.

INDUSTRY WIDE PRESENCE

Solar

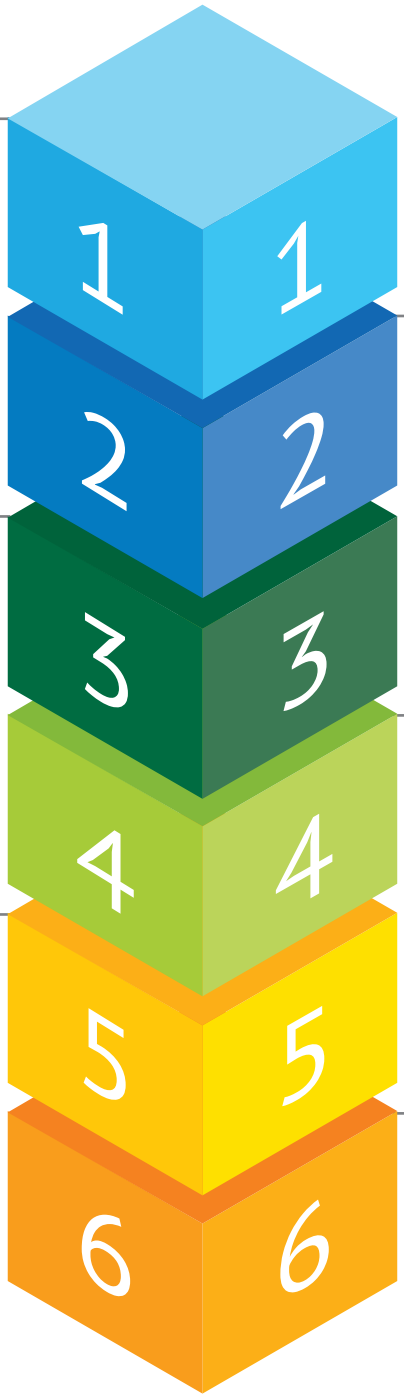
A channel partner for the Ministry of New & Renewable Energy (MNRE) with top notch 1A rating, Shakti Pumps has a range of solar pumps between 1HP to 100 HP that are simple and easy to operate with remote monitoring system, offering 30-40% more discharge than any other ordinary pump.

Agriculture

Shakti's pumps easily meet varied agricultural needs like, irrigation pumps, Solar pumping solutions, agricultural sprinkler systems with pumps or with solar pumps.

Commercial Building Sector

Shakti's pumps are a major force in places like hotels, corporates, malls, high rise buildings, commercial premises, etc., where heavy pressure and boosting is required.



Domestic

Shakti's domestic pumps are ideal for general home applications like water supply, over tank storage watering gardens and fountains.

Industrial

Shakti's pumps are used in industries for a variety of purposes that include fire-fighting, sewage, heating & cooling of systems, washing, storage, etc.

Sewage & Drainage

Shakti's pumps covers a wide range of necessities, from draining flooded water from various areas like basements, car parks, and empty cesspools to managing sewage in a water treatment plant.

The result is that Shakti Pumps has emerged as a one-stop destination for a variety of pumping applications.

BOARD OF DIRECTORS

Mr. Dinesh Patidar (Managing Director)

Mr. Dinesh Patidar is a visionary, self-made industrialist and a leader with a strong business acumen and knowledge in development of engineering products and management. He has more than 3 decades of experience which has helped him to adopt latest and best practices in business to develop a competitive edge.

Mr. Sunil Patidar (Executive Director)

Mr. Sunil Patidar is a determined professional with an innovative approach in people management and industrial relations ensuring all administrative compliances.

Mr. Ramesh Patidar (Executive Director)

Mr. Ramesh Patidar is a graduate in Business Administration with more than 15 years of experience in international business development activities, exploring and expanding new business opportunities across the world.

Mr. Navin S Patwa (Independent Director)

Mr. Navin S Patwa is a Company Secretary with over 18 years experience in Secretarial work, Company law and related matters. Working with Sam Industries as a Company Secretary & Compliance Officer.

Mr. Shyam Sunder Raghuvanshi (Independent Director)

Mr. Shyam Sunder Raghuvanshi an Independent Director, holds degree of B. E. (Hons.) in Civil Engineering. A veteran in Industry completed various water supply projects across Indore, Ujjain, Gwalior and Jabalpur.

Mr. Pramod Kumar Bhavsar (Independent Director)

Mr. Pramod Bhavsar retired from State Bank of India as Assistant General Manager, A well experienced, result oriented banker with diversified experience in credit/finance. Served the Bank for 35 years at various places, handled Projects in Corporate Finance, SME, Forex, Business Restructuring/CDR, NPA Management etc.

Mrs. Nishtha Neema (Woman Independent Director)

Mrs. Nishtha Neema is a Chartered Accountant with over 15 years of experience in Accounts, Taxation, Auditing and Fund Planning etc. Working in Gupta & Neeraj Associates (Indore) as a partner.

Mr. Sridhar Narayan (Nominee Director)

Mr. Sridhar Narayan is a B. Tech – M E (IIT, BHU) and PGDM (IIM Banglore). He has 22 years of Investing Experience in Indian Public Listed and private Equity market.

KEY MILESTONES

1982 — Started as an SSI unit by the Patidar Family.

1985 — Mr Dinesh Patidar (CMD) joined the company with a vision to manufacture world class pumps.

1986 — Commenced a full-fledged manufacturing unit.

1989 — Received BIS certification.

1995 — Became a public limited company and got listed on BSE.

1998 — Received ISO 9001:2000 certification and started focus on direct exports.

2003 — Received the quality marking system 'CE mark'.

2006 — Received 'One-Star-Export House Status' and re-certification of ISO 9001:2000.

2007 — SAP Implementation started across all verticals and geographical reach of up to 50 Countries.

2008 — A separate SEZ Unit, expansion of main DTA UNIT with a total capacity of 4.5 Lakh Pumps.

AWARDS & ACCOLADES

EEPC India 2015

ECGC-DUN & Bradstreet 2015

EEPC 2014

Excellence in the field of Industry 2014

Indian Powerbrand at Glam Me 2013

EPC Outstanding Company 2012

Indian Exporters' Excellence 2012

Best SEZ Exporter 2015

2009 — The first company to receive a 5-Star rating from BEE in the pumping segment.

2010 — Introduced new Booster Pumps and Resin Cooled Motors and Widened pump range up to 250HP.

2012 — Completion of Separate Booster Pump Unit and launched Solar Pumping Solutions.

2013 — Awarded 'Best SEZ Exporter' – ECGC & 'Outstanding Pump Company' – EPC Award.

Mr Amitabh Bachchan, hailed the super star of the millennium, becomes the face of our brand.

2014 — Corporate Excellence Award at National Conclave 'Make in India', for excellence in the industry.

2015 — Received ECGC - D & B INDIAN EXPORTER'S EXCELLENCE AWARD 2015 - BEST FOCUS PRODUCT EXPORTER.

Received ISO 14001:2004 and OHSAS 18001: 2007 certifications.

2016 — Emerged as one of the largest solar pumping manufacturers.

2017 — Achieved the vision of zero liquid discharge and zero carbon foot print.

2018 — Received R & D Recognition from Government of India, Ministry of Science & Tech (DSIR)

CERTIFICATIONS

Various Certifications - A proof of our Excellence.

Various certifications recognize our commitment to excellence. Bureau of Energy Efficiency (BEE) has granted a 5 star rating to more than 260 of our pump models for their superior energy efficiency. We have also been certified by independent bodies like UL, CE, ISO, BIS, ISIS, etc.

OUR GLOBAL REACH

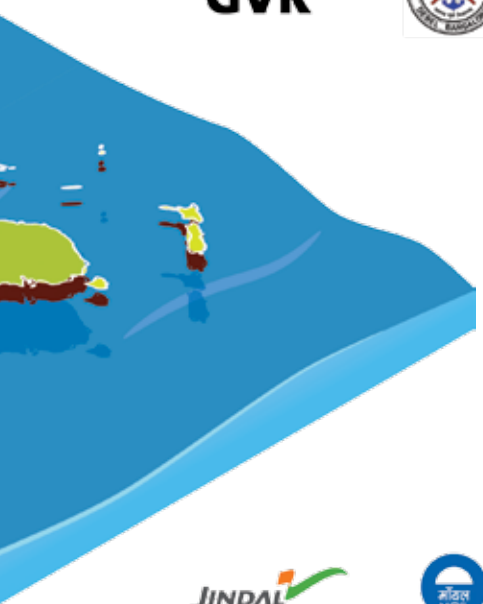
100+ Countries

90+ Dealers

Region wise presence like **ME, USA, Africa, ASIA, Europe, LA**

In India, we are present in 19 states with 550 dealers and intend to spread across India in coming years.

OUR CLIENTS



OUR INFRASTRUCTURE

Shakti is a pioneer and the leading exporter from India for energy-efficient submersible pumps and motors and is situated in - Pithampur (M. P.), which is at the heart of India. Shakti Pumps is a specialist in the manufacturing of a broad range of solar pumping solutions and energy-efficient pumps and motors for a variety of applications.

The core DNA of the company is to enhance the customer experience with the product and provide innovative solutions, which are backed by technology-enabled processes and systems. This has led to improvement in competitiveness of the company at a global level and has attracted the attention of extremely savvy and quality conscious customers, who believe in developing long-term strategic relationships with the company.

Shakti Pumps today is competent to offer all kinds of solutions for water-based requirements in more than 100 countries around the world and we aim to increase our bandwidth for in-depth penetration and are looking to target more countries globally.

In order to succeed in the international markets, the company has created world class infrastructure with state-of-the-art manufacturing facilities and experienced and skilled work force, who not only meet but also surpass the international standards of excellence set in this industry.

Shakti Pumps has the capability to constantly adapt and manoeuvre its strategies in response to the changing demand trends which is compliant with global standards. Shakti pumps has developed a highly energetic in-house R&D team and infrastructure over the last few years, which is capable of producing innovative solutions. The Company has developed advanced fabrication technology and chosen the best materials and methods to create pioneering products, which today are considered global benchmarks. The R&D team has been able to create a computerized testing facility in order to measure the performance of pumps produced by the company and can compare them with the products available in the international market on a real time basis. Continuous innovation, development and customer feedback are the keys to the success of Shakti Pumps.

The efforts of Shakti Pumps has been highly commended. The Company has received R&D Recognition from the Government of India (Ministry of Science and Technology – DSIR), which merits the R&D strengths and ability possessed by their team that is parallel to international standards.

Shakti Pumps provides pumping solutions, which finds applications in groundwater supply, irrigation, pressure boosting, industrial applications, fire-fighting systems and pumping applications for the domestic and hospitality sectors.

The company has developed one of the most advanced assembly lines in the world, which are at par with some of the global giants in the industry. Every person associated with the manufacturing process of the company constantly strives to achieve perfection at every stage of the production. This has been made possible through the use of precise and efficient pieces of equipment, as well as some of the most highly-trained employees in the industry.

This enables Shakti Pumps in becoming the global force today, delivering intricate and unique high-quality pumping products.

In order to succeed in the international markets, the company has created world class infrastructure with state-of-the-art manufacturing facilities.

SHAKTI PUMPS – ELECTRONICS AND CONTROL DIVISION (E&C)

Shakti Pumps, a leading player in Solar Pumping Solutions, commissioned its new Electronic and Control division, at their plant in Pithampur, M.P., India. This is a first-of-its-kind fully automated plant, that uses cutting-edge Japanese techniques and manufacturing methods.

The establishment of this plant paves the way for the Company to advance its portfolio into the **Power Electronics Segment,** beyond just being positioned as an efficient pumping solutions provider. **This new plant will manufacture and assemble Solar VFDs, Hybrid Inverters, Motor Starters and other Power Electronics products.** The plant will have a capacity of 100,000 VFDs and inverters per annum.

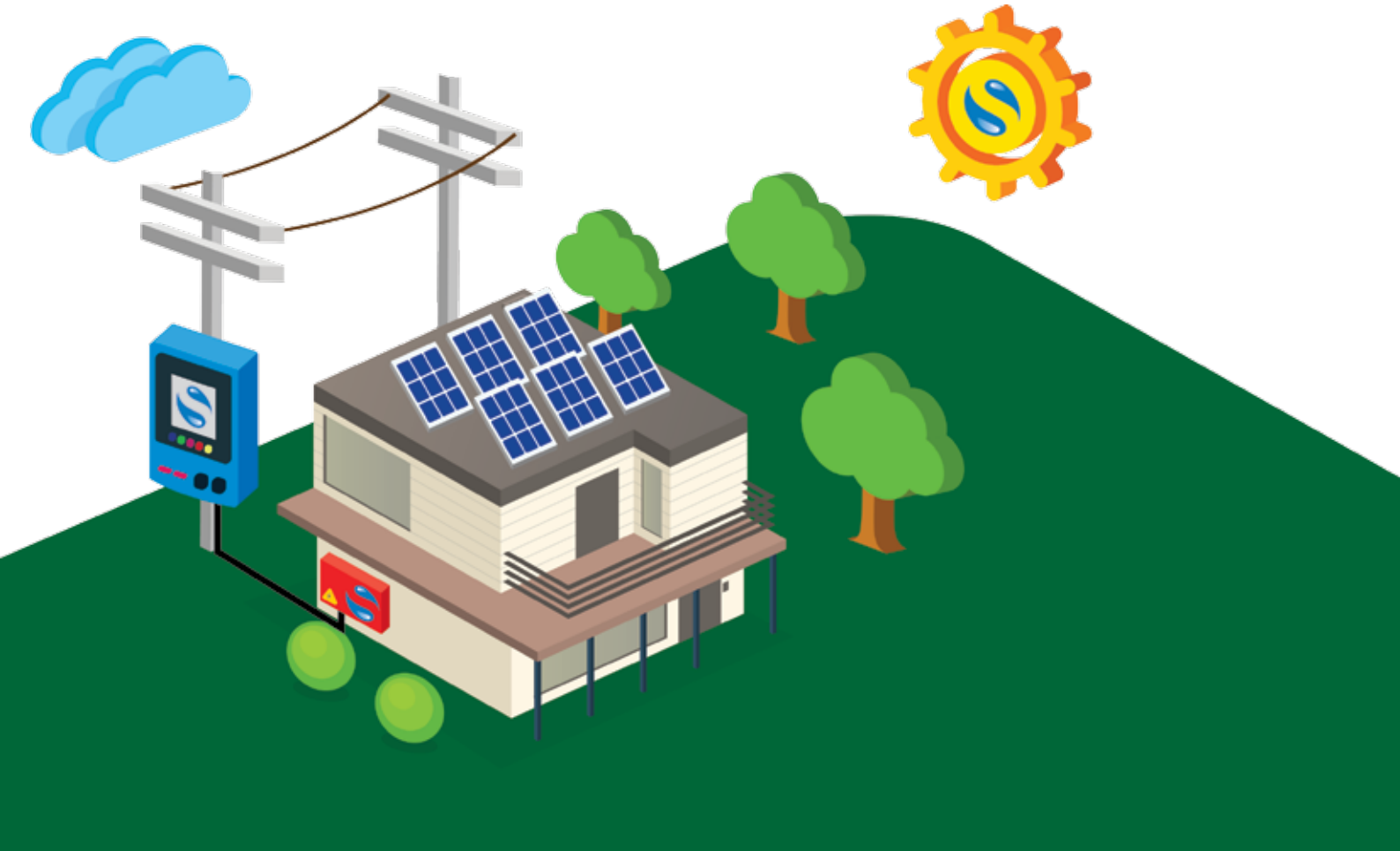
The uniquely placed E&C Plant and R&D Unit (recognized by Dept. Of Scientific & Industrial Research - Ministry Of Science & Technology, GOI) are co-located, yielding a strong advantage over the ones that end up being located in different geographies. The new plant is also expected to create employment opportunities in the field of electronics and power electronics in Central India and will help in augmenting the skilled workforce in the region.

Illustrious Technology Partnerships

Shakti Pumps closely partnered with IIT Delhi and IISc Bangalore for the design and development of futuristic E&C products in India, the research wing of Shakti Pumps is supported by IIT Delhi under the Government of India's Higher Invention Scheme.

Alignment with the Nation's Progress:

This milestones achieved by the Company moves it closer to aligning with the affirmed initiatives of the Government of India – such as 'Make in India' and 'Digital India' and also to attain the targeted 40% dependence on sources of alternative energy.



Products overview

1) **Electric Motor Drive (VFD) (1-10HP) - This drive series will be universal in nature and can drive different type of motors.**

2) **Electronic Motor Starters (1-30 HP) - Soft starter and other digital starters.**

3) **Hybrid Inverters (1-10kVA).**

'SIMHA'

The Universal Drive, aptly named "SIMHA" supports a wide variety of motors by virtue of its universal design. Its IP 64 design and rust-proof metallic enclosure provides protection from particles (e.g. rain, dust, oil) and simultaneously, obviates the need for an extra outer-case. Moreover, the advanced MPPT algorithm puts it in the list of premium renewable energy products within the peer group. The salience of the SIMHA drive makes it amenable for recommendations by experts, thanks to its unique features, efficiency, zero operating cost, plug and play installation, electrically safe user handlings and a longer period of warranty.

An import substitute

Currently, OEMs are importing drives and/or components that need assembly in India. Shakti's SIMHA, on the other hand, is a high quality and efficient solution that can effectively substitute imports of drives. Additionally, this ends up being superior to the imported drives that may not always be suitable for Indian conditions and possibly need customization and alterations to make the devices work, which can prove to be demanding on cost and resources.

Applications of Various Drives

Besides the solar pumping industry, these drives will also find applications within various process industries such as Textiles, Packaging, etc, or wherever speed control is required, in conjunction with Conveyors, Extruders, Pumps, Fans, Compressors, etc.

E&C - Indian Market Overview

The increased usage of drives across major industry verticals, solarisation of agriculture pumps, rapid industrialization, urbanization, increased investments on infrastructure development, and shifting focus on energy efficiency will lead the future growth of the industry.

In recent years, solar has become an important source of energy, with the Indian Government itself outlining an ambitious target of 175 GW renewable generation capacity till 2022. Considering the GoI focus on solar power generation and solar pumping solutions, we believe that the sector continues to offer immense potential for the Power Electronics segment as well, apart from the captive demand for solar pumping projects and rooftop projects that the Company already provides.

E&C - Global Market Overview

Variable Frequency Drives Market going to be valued at USD 24.8 Bn by 2021 and the market is projected to grow at a CAGR of 5.94% from 2016 to 2021.

The low-voltage segment is expected to hold the largest share of the VFD market. Low-voltage VFDs are used in various industrial applications such as building automation, pulp & paper, power, water & wastewater, and oil & gas, and especially in process industries.

The pump segment is expected to hold the largest share of the VFD market. Pumps are one of the most important equipments in most industries such as agriculture, oil & gas, chemical & petrochemical and pulp & paper as it provides a huge potential for energy savings, improved performance, and reliability.

The infrastructure segment of the VFD market, is expected to grow at the highest CAGR. Rapid infrastructure development and growing concerns over energy efficiency are likely to drive the infrastructure segment.

Asia Pacific: The leading market (by volume) for VFD

VFD market in Asia Pacific led the global VFD market in 2017. China and Japan are the largest markets for VFD in the region. The government of China plans to invest heavily on clean energy production, which would further drive the VFD market in the country. Meanwhile, Japan is actively focusing on infrastructure development. Therefore, factors such as increasing investments in renewable energy and infrastructure development in China, Japan, and India are driving the VFD market in the region.

FAVOURABLE POLICIES ARE SUPPORTING THE AGRICULTURAL SECTOR

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross value added by agriculture, forestry and fishing is estimated at Rs. 17.67 Tn (USD 274.23 Bn) in FY18. Agriculture and allied sector's GVA at constant 2011-12 prices grew a CAGR of 2.75 per cent between FY12-18.

As per Union Budget 2018-19, allocation of Rs. 57,600 Cr (USD 8.9 Bn) was made to the Agriculture Ministry. There has been a proposed hike in the agricultural credit target for the next fiscal by Rs. 1 lakh Cr to a whopping Rs. 11 lakh Cr. The government has increased its rural spending (Ministry of Agriculture & Allied Activities + Ministry of Rural Development) sharply over the past three years. As against average growth of ~9% in total spending, rural spending has grown at an average of ~16%. Consequently, the share of rural spending has increased from 6% between FY14 and FY16 to 7.6% in FY18 (Exhibit 12). Total rural spending amounted to ~Rs. 1.6 Tn, with major allocation towards rural employment (under Mahatma Gandhi National Rural Employment Guarantee Act, MGNREGA). About a decade ago, spending under MGNREGA was raised from Rs. 120 Bn to Rs. 300 Bn in FY09 (the election year). We note that spending on MGNREGA continued to hover at Rs. 300-350 Bn in FY15, which was then raised to Rs. 373 Bn in FY16 and further to ~Rs. 480 Bn each in FY17 and FY18BE (Exhibit 13).

Increase in MSP on food grains and pulses.

- Increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage to boost farm income.
- Enhancement in capital subsidy for cold stores and its extension to all capital investments in back-end supply chain logistics.

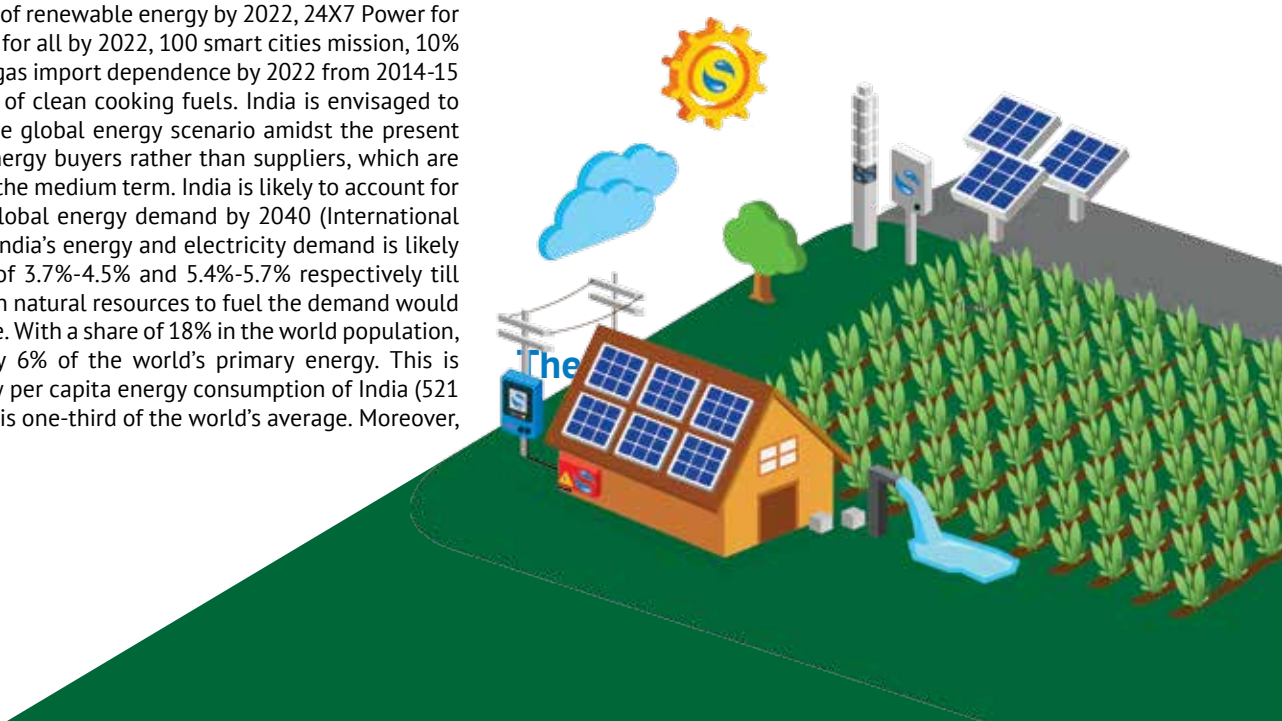
India's energy sector is set for a sea change with recent developmental ambitions of the Government of India – 175 GW of installed capacity of renewable energy by 2022, 24X7 Power for all by 2022, Housing for all by 2022, 100 smart cities mission, 10% reduction of oil and gas import dependence by 2022 from 2014-15 levels and provision of clean cooking fuels. India is envisaged to play a key role in the global energy scenario amidst the present trends in favor of energy buyers rather than suppliers, which are likely to continue in the medium term. India is likely to account for 25% of the rise in global energy demand by 2040 (International Energy Agency). As India's energy and electricity demand is likely to grow at a CAGR of 3.7%-4.5% and 5.4%-5.7% respectively till 2047, the pressure on natural resources to fuel the demand would only rise in the future. With a share of 18% in the world population, India consumes only 6% of the world's primary energy. This is evident from the low per capita energy consumption of India (521 kgoe in 2014) which is one-third of the world's average. Moreover, India houses nearly 304 million people without access to electricity (25% of the global population without access to electricity) and 800 million people without access to clean cooking fuels (30% of the global population without access to clean cooking fuels). India certainly aims to reduce its energy poverty in a sustainable manner keeping in mind the energy independence and the impact of these objectives on economic growth. The energy mix of India and the world is given below to give a snapshot of the fuels used to meet the energy demand:

The 'KUSUM' (Kisan Urja Suraksha Evam Utthaan Mahaabhiaan) Scheme

With an aim to promote the use of solar power among farmers (largest energy consumers), the government is all set to launch Rs. 1.4 Cr KUSUM scheme. Under this scheme, farmers would be provided with solar water pumps, as stated by Mr. R K Singh, the Minister of Power and New & Renewable energy.

KUSUM provides for:

- Installation of grid-connected solar power plants, each having a capacity of up to 2 MW in the rural areas.
- Installation of standalone off-grid solar water pumps to fulfill irrigation needs of farmers not connected to the grid.
- Solarisation of existing grid-connected agriculture pumps to make farmers independent of grid supply and also enable them to sell surplus solar power generated to DISCOM and get extra income.
- Solarisation of tube-wells and lift irrigation projects of Government sector.



(17.50 lakh standalone + 10 Lakh Grid-connected) under the scheme. It will help farmers install total 10 GW of Solar Power Plants of intermediate capacity of 0.5 to 2 MW each. It also envisages 50,000 Grid-connected tube-wells/lift irrigation and drinking water projects. Mr Singh also gave assurance about bringing the hydro power policy and expressed hope to roll out the Rs. 16,000 Cr plan for beleaguered hydro power capacities in the country.

Under the scheme, the government plans to incentivize farmers to run solar farm water pumps and use barren land for generating power for extra income of up to Rs. 60,000 per acre every year. At present, farmers earn about Rs. 30,000 per acre annually from conventional wheat and paddy rotation, after deducting input costs.

Paramparagat Krishi Vikas Yojana (PKVY)

This scheme ensures the promotion of organic farming. USD 72.87 Mn has been allocated for the scheme during the year 2017-18. Adoption of farming will promote the balanced use of chemical fertilizers and enhance the quality of farm produce.

Pradhan Mantri Krishi Sinchai Yojana (PMKSY)

The scheme ensures access to means of irrigation to all agricultural farms in the country to produce 'per drop more crop', thus bringing much desired rural prosperity. To increase agricultural productivity by increasing availability of water and enabling its efficient use.

Niti Aayog, Contract Farming Law

In February 2017, as an effort to protect the farmers against price volatility, Niti Aayog has come up with a law on contract farming, to protect the farmer's interests. The law on contract farming is considered important for private players, as it would induce competition, while ensuring better prices for horticultural produce to farmers through advance agreement.

Doubling Farmers' Income

Reaching out to farmers, Prime Minister Narendra Modi showcased his government's 'unprecedented' work in the agricultural sector, including doubling of the budget to Rs. 2.12 lakh Cr. The prime minister also reiterated that his government is working to double farm income by 2022.

The prime minister stated the following in his speech:

"The budget allocation for the agriculture sector in 5 years of the previous government was Rs. 1.21 lakh Cr. This has been increased to Rs. 2.12 lakh Cr during 2014-19, which is almost double. This clearly reflects our commitment to farmers' welfare,"

Modi said.

Stating that there has been 'unprecedented development' in the farm sector during the last four years, the Prime Minister highlighted that food grains production in the country touched an all-time high of 280 million tonnes during 2017-18 crop year as against an average production of 250 million tonnes during 2010-14.

Micro Irrigation Industry Position

The average penetration at all India level is 5.5 percent, which is much lesser in comparison to countries like Israel, US and even China. Penetration of micro irrigation systems is still very low in India. With half the cultivable land in the country still being rain-fed, there is enormous potential for promoting micro irrigation in India.

The total potential of micro irrigation in India is estimated at around 69 Mha, however, currently the coverage of micro irrigation is only around 9.7 Mha (2018). India, with an arable land of 140 Mha hectares, has a huge potential for micro irrigation of nearly 27 Mha for drip irrigation and 42 Mha for sprinkler irrigation with total potential of approximately 69 Mha hectares. The market is driven by factors such as increasing cultivation of orchard crops, acute water scarcity and growing use of irrigation equipment for high yield requirement.

INTERNATIONAL SOLAR ALLIANCE

What is this alliance?

The International Solar Alliance (ISA) was unveiled by Prime Minister Narendra Modi and then French President Francois Hollande at the U.N. Climate Change Conference in Paris on November 30, 2015. The idea was to form a coalition of solar resource-rich countries to collaborate on addressing the identified gaps in their energy requirements through a common approach. Towards this, the ISA has set a target of 1 TW of solar energy by 2030, which current French President Emmanuel Macron said would require USD1 Tn to achieve.

Who are the member countries?

The ISA is open to 121 prospective member countries, most of them located between the Tropics of Cancer and Capricorn as this is the region worldwide with a surplus of bright sunlight for most of the year. So far, however, only 56 countries have signed the ISA Framework Agreement. These include India, Australia, Bangladesh, Benin, Brazil, Burkina Faso, Cabo Verde, Cambodia, etc.

What is India's role?

Apart from being a founding-member, India plays a significant role in the alliance in terms of being a host as well as a major contributor to the achievement of the target. The ISA is the first international body that will have a secretariat in India. India, with a target to produce 100 GW of solar energy by 2022, would account for a tenth of ISA's goal. "India will produce 175 GW electricity from renewable sources by 2022 and 100 GW will be from solar energy."

The alliance is planning to open a global tender of 500,000 solar pumps for farmers after three months. India plans to acquire 100,000 pumps while Bangladesh and Uganda plans to acquire 50,000 and 30,000 pumps respectively. The ISA has been requesting all member countries to advise their solar pump requirements in order to aggregate the demand and open the global tender of approximately 500,000 pumps. ISA intends to replace all diesel pumps with solar ones.

ISA also plans to set up 10 centres for excellence in countries with developed infrastructure such as India, China, France, U.S., Brazil, South Africa and Australia. The purpose for setting up these centres would be to enable advanced research and development in the solar sector. These would be full-fledged centres for testing and capacity building, certification and standard setting.

At its core, the alliance is a way to bring together countries that have high solar resources, which have been relatively underexploited, and represents a large market for solar technology. The idea is that larger markets and bigger volumes will lead to lower costs making it possible to spur demand. "By increasing access to solar energy, millions of more babies will now be delivered safely, millions of farmers will be able to grow more crops and better support their families, and millions more children can be better educated," said Mordaunt.

> **"The International Solar Alliance is India's institutional contribution to enable the Global South to move to a low-carbon development path,"**
>
> **said Ajay Mathur, the Director General of the Delhi-based think tank and research organization, The Energy and Resources Institute (TERI).**

COMPLETE ECOSYSTEM NEEDED TO ENSURE INDIA'S SOLAR SUCCESS

Currently, solar energy is contributing to 21 GW of the renewable energy mix. We need to add 12-15 GW every year to realise India's solar dream. The government is also contemplating expansion of solar technology with hybrid projects and floating solar parks. Even as these initiatives are welcome, there should be a complete ecosystem in place to ensure the success of the solar programme – whether in terms of laboratory infrastructure, the registration scheme and the ability of manufacturing community to show compliance.

The government must therefore invest in expanding PV cells and module manufacturing and laboratory infrastructure, as well as skilling for technical due diligence, energy yield assessment and forecasting to enable on-ground execution of the program. We also need system-level standards to protect grid stability, which the Central Electricity Authority (CEA) is working on.

To realize the goal of 'Make in India,' we need research-based test laboratories that can guide and advise the manufacturing community for both development, as well as compliance testing. Laboratories can especially play a prominent role in handholding the component sector.

As a co-founder of the International Solar Alliance (ISA), member countries will look up to India for support in standards and testing as well, creating additional need for expansion of the testing, inspection and certification (TIC) industry.

India's Improved Rooftop Solar Journey...

The solar technology that is most efficient and cost-effective will be the favourite for adoption tomorrow. New breakthroughs are being made and technology is constantly evolving. But the current technologies in use are mature enough for large-scale adoption. In fact, an MIT study revealed that conventional crystalline silicon PV technology can be used to scale global solar power capacity of up to 100 terawatts (that is 100,000 GW) by 2050. A large share of it can be implemented in India. Domestic Rooftop Solar doesn't face land constraints like solar parks. Lack of such constraints and other benefits of Residential Solar Systems will ensure that it will continue to grow.

One of the concerns regarding the growth in Home Solar was that it would be accompanied by reduced demand for electricity from the grid which could make the business model of distribution companies (DISCOMs) unfeasible. But in practice, localised power generation by domestic solar systems obviates the cost from low grid power demand by reducing transmission and distribution losses. As Domestic Rooftop Solar gets more popular, DISCOMs will however, require upgrading the grid for handling intermittent nature of power supply from renewables.

The bottom-line is that Solar Rooftop plants harness renewable energy to cut carbon emissions and shift the centre of electricity production to the households, making them a stakeholder in energy industry, which is unprecedented. Cost-benefit analysis favours Domestic Solar plants for a country like India, which meets much of its energy needs through imports. No doubt, the future of Domestic Rooftop Solar in India is bright.

Focus on Energy Efficiency

Currently, over three crore pump sets are used in agriculture in India consuming 173.2 Bn units of electricity per annum. Over five lac new pump sets are added each year. Low-cost or free electricity coupled with high inefficiencies contributes to the adoption of inefficient and unreliable pump sets, resulting in massive water wastage and high energy consumption. Also, the oversized pumps can lead to higher energy bills and maintenance costs. **Shakti's pumps are designed in a way that ensures that all factors like size, power, speed, drive, and secondary equipment are ideally matched to the requirement type, which helps in pumps being highly energy efficient by saving 30 to 40% power and also providing a higher output.**

CASE STUDIES

One day, one of the farmers read about Mukhya Mantri Solar Pump Scheme in the newspaper. However, he was fearful that solar systems might be expensive and he was not sure about the amount of electricity produced from them. He contacted MP Urja Vikas Nigam office of Jabalpur district. He registered for the a solar pump by submitting an application form along with a demand draft of Rs. 500. He got a bore well dug in his farm and deposited the remaining beneficiary share of Rs. 67,100.

As soon as the solar pump was installed in his farm, he changed his pattern of agriculture due to the availability of sufficient water for irrigation. Earlier, he was able to earn only Rs. 25,000 to 30,000 per annum through conventional farming methods on his 5 acres of land, solely because of a lack of irrigation. Now, he can earn Rs. 3,50,000 per annum by cultivating roses, onions, potatoes, chilies, coriander, tomatoes, broccoli and chickpeas. He is also growing coconut on the same land.

He got rid of worries related to diesel, pipe safety, labour problems, pollution and noise generated by diesel generators. Now, he has pollution-free healthy electricity which is totally free. There is no fear of power cuts as well. The sun rises every day and his pump starts. He is irrigating his farm without any obstruction and stress. In Pachauri's words "If I would not have gone for a solar pump, then I would have given up farming." This is a perfect gift from the government to its farmers. He was honored by the Chief Minister of Madhya Pradesh due to his excellent work regarding solar pumps.

> **"If I would have not gone for a solar pump, then I would have given up farming."**

मेरा नाम सत्यजीत चौहान है मै ग्राम राजौदा, जिला देवास से हुं ।
मेरे पास 16-20 एकड जमीन है जिसमें मैने मुख्यमंत्री सोलर पम्प योजना
के अंतर्गत शक्ति सोलर पम्प की स्थापना की है। इस सोलर पम्प के द्वारा
अब मुझे पानी की कोई समस्या नही होती और मै सभी प्रकार की
फसल में सिंचाई के लिये यही पम्प का उपयोग कर रहा हुं।

मेरा नाम गंगाराम नेताम है मै ग्राम दौंद से हुं ।
गर्मीयों में हम खेत में पानी नही दे पाते थे। फसल सुखने से हमारी आमदनी की भी
कमी हो जाती थी। आज हमें शासन की मदद से शक्ति सोलर पम्प कम पैसों में मिला
जिससे पानी भी अच्छी मात्रा में मिल रहा है और
हमारी फसल से हमें ज्यादा आमदानी हो रही है।

मै साधुराम ठाकुर ग्राम दोंद से हुं। मैने सरकार की एमएनआरई योजना के तहत
शक्ति सोलर पम्प की स्थापना की है। हमारे पास 10 एकड जमीन है और हम खेत में
धान उगाते है, पहले पानी के लिये बिजली के भरोसे रहना पडता था।
धान की खेती को पानी ज्यादा लगता है इसलिये हमने इस सोलर पम्प को लगवाया ।
अब हमे पानी दिन में बहुत मात्रा में सिचांई के लिये मिल जाता है
जिससे धान बहुत मात्रा में होने लगी है और हमे और ज्यादा फायदा होने लगा है।

मेरा नाम भुपेन्द्र सिंह केलवा है, मै ग्राम महुडिया, जिला देवास से हुं ।
मेरे पास 15 बीघा जमीन है। पहले मै सिंचाई के लिये 2 इलेक्ट्रिक पम्प का उपयोग
कर रहा था। अब मध्यप्रदेश उर्जा विकास निगम की स्किम के अंतर्गत हमने
5.5 एचपी का शक्ति सोलर पम्प लगवाया है जिसमें सरकार की और से
85 प्रतिशत का अनुदान प्राप्त है। पहले बिजली दिन में 4 घंटे और रात में केवल
6 घंटे मिलती थी पर अब सोलर पम्प लगवाने से बिजली की समस्या भी समाप्त हो गई है
और पानी भी भरपूर मात्रा में प्राप्त हो रहा है।
अभी हम गेहुं, चना, सोयाबिन, लहसन की खेती करते है।

HIGH COMMISSION / AMBASSADOR VISIT TO SHAKTI PUMPS

African Development Banks (AFDB 2017) Annual Meetings at Gandhi Nagar Our Honourable Prime Minister Mr. Narendra Modi with CMD Mr. Dinesh Patidar & his Excellency Mr. Akinwumi Adisena, the President of AFDB visited Shakti's Stand during AFD B2017.

Shakti Pumps had the honour of being in the privileged company of various dignitaries, board of governors, ambassadors, ministers and representatives from the Global South.

Mr Enamul Karim Pavel, Head of Renewable Energy - Infrastructure Development Company Limited (IDCOL), Bangladesh

Her Excellency Ms Jainaba Jagne (Center), Ambassador - Republic of Gambia

His Excellency Mr Michael Aaron N. N. Oquaye Jnr, High Commission - Republic of Ghana

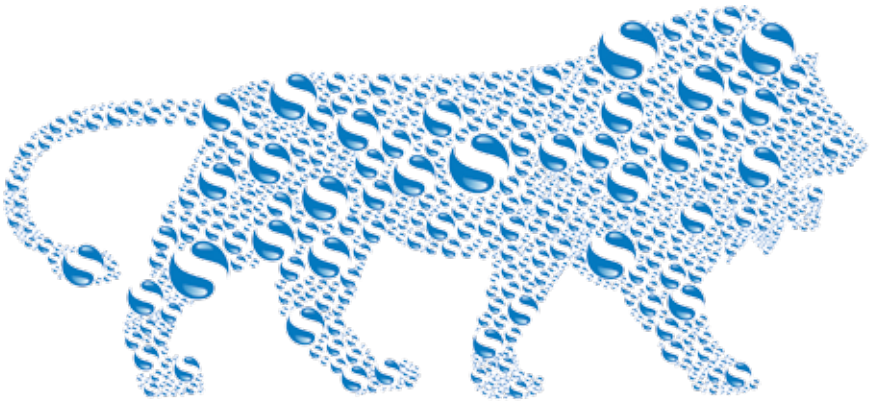
Mr Mucyo Rutishisha, 2nd Councellor - High Commission - Republic of Rwanda

His Excellency Mr Hadji Ibou Boye, Ambassador - Republic of Senegal

His Excellency Chris S. Eze - High Commissioner - Federal Republic of Nigeria

Her Excellency Ms Azreen Shabnam, High Commission - Republic of Fiji

TAKING 'MAKE IN INDIA' FORWARD



PROCESS

'Make in India' was launched by the Prime Minister against the backdrop of this crisis, which quickly became a rallying cry for India's innumerable stakeholders and partners. It was a powerful, galvanising call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world. But 'Make in India' is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of out-dated processes and policies. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partners, in keeping with the Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

PLAN

To start a movement, you need a strategy that inspires, empowers and enables in equal measure. 'Make in India' needed a different kind of campaign. Instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most importantly, credible.

It had to inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large, provide a framework for a vast amount of technical information on 25 industry sectors and reach out to a vast local and global audience via social media and constantly keep them updated about opportunities, reforms, etc.

SHAKTI'S ROLE

It is keeping with the Prime Minister's dream of India being an 'economic superpower', who makes cutting edge products that have innovation and new age concepts. The company's pumping solutions that are globally acclaimed for quality in more than 100 countries are highly energy-efficient. Shakti takes pride in playing its parts in making India a global manufacturing hub and sparking a new revolution. Shakti Pumps has been awarded the trophy for Excellence in the Industry at the Indian National Conclave 'Make in India'.

MAKE IN INDIA

ADAPTING THE UN SUSTAINABLE GOALS

Shakti has adopted 14 of the United Nation's Sustainable Development Goals as its own.

Poverty Alleviation - We at Shakti, are determined to provide sustainable means of irrigation by offering solar pumping solutions that can bring transformational changes in agricultural landscapes globally, helping spread cultivation to more areas and contributing to sustainable livelihood to alleviate poverty.

Gender Equality and Empowerment of Women - We are committed in our quest to provide equal opportunity to women and reduce discrimination. We aim to increase the representation of women in our workforce by providing more opportunities and a friendly atmosphere in the company.

Conserve and Sustainable use of the oceans, Seas and Marine Resources - We are committed to conserve rivers, water bodies and other attached habitats by the judicious use of resources so that equal opportunities are provided to future generations as well.

Inclusive, Safe, Resilient and Sustainable cities - Access to renewable energy in various applications like rooftop solar power generation and solar water pumping solutions could contribute to sustainable growth and reduction in pollution. We are committed to scale up the use of solar energy in urban households and commercial establishments.

Sustainable Consumption and Production Patterns - It involves engaging consumers through enhancing awareness and education on sustainable consumption and lifestyles, providing consumers with adequate information through standards and labels and engaging in sustainable public procurement, among others. We are also committed to responsible initiatives for sustainable consumption and production with minimal impact on environment.

Sustainable Agriculture with Food Security and Improved Nutrition - Solar irrigation solutions could be the best choice to ensure judicious and sustainable use of water sources. A profound change of global food and agriculture system is needed if we are to nourish today's 815 Mn people and an additional 2 Bn people expected by 2050.

Reduce Inequality within and among Countries - We have set ambitious goals of solarization of agriculture irrigation pumps in developing and underdeveloped countries of Africa in collaboration with International Solar Alliance (ISA) with an objective to increase the economic activities and agricultural income, which will help reduce the disparities.

Access to Water and Sanitation for All - We have installed solar drinking water pumping system under CSR and other schemes, which would help the marginal and underprivileged sections of the society to access drinking water that was traditionally fetched from distant areas. Solar operated water pumps is ideal for providing the community with drinking water in such areas.

Urgent Action to Combat Climate Change and its Impacts - As per the Paris Agreement objectives, we as a responsible corporate, are committed to promote and enhance the use of renewable energy and its applications to reduce the carbon emission and resultant global warming.

Sustainable Energy access and Affordability - Sustainable energy is an opportunity – it transforms lives, economies and the planet. Hence, as a clean energy technology company, we try to ensure accessibility to sustainable solar power through water pumping solutions.

Sustainable Management of forests and halt land degradation and biodiversity loss - We are committed to support and promote environmental activities such as plantation campaigns, the use of renewable energy for horticulture, irrigation for forests and drinking water for animals and biodiversity.

Inclusive and Sustainable Economic Growth & Employment - Clean and renewable energy like solar energy would bring about transformational changes in the rural and underdeveloped regions in agriculture by ensuring sustainable solar energy for irrigation, proving better livelihood and employment opportunities in the farm sector for inclusive growth. Solar power irrigation is the best choice for the same and we are committed to that.

Revitalize Global Partnerships for Sustainable Development - As a partnering industry of International Solar Alliance (ISA) and its objectives, we are oriented towards achieving its goals for sustainable agriculture with renewable energy applications in irrigation. We are working on PPP model on various ISA projects for solarization of agricultural pumps in ISA member countries in Africa.

Resilient infrastructure and sustainable industrialization fostering innovation - We, at Shakti, endeavor to develop innovative and sustainable technologies to boost economic growth, which would help in achieving the environmental objectives, such as, increased resource and energy-efficiency. Our uniquely designed solar motors, pumps and controllers are examples of sustainable products and we aim to further enhance our portfolio with more innovative and clean-tech products.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

सेवा
शक्ति फाउंडेशन ट्रस्ट की पहल

Shakti Pumps follows the philosophy that a business has social obligations above and beyond the notion of making profit. CSR is a way of integrating the economic, social, and environmental responsibilities with the core business activities. Shakti Pumps has embarked its CSR initiatives that embrace the underprivileged sections of the society, especially in rural India, to create a significant positive impact at ground level.

Shakti Health Camp

A part of the Trust's work is to bring value to the society and build better communities in and around Indore. Shakti Health Camp was the first of our community initiatives. More than 1,000 people attended the camp, many of whom benefited from the free medical check-ups, treatments and advice offered throughout the day. Since awareness of health related treatments is low within rural communities, we also provided free transport to the camp to ensure that as many people as possible had access to the facilities.

Shakti has organized many health camps and hopes this will continue even more in the future. People who attended these camps and clinics are offered expert advice from trained doctors, free check-ups and the relevant treatment for anyone in need. Our aim is to provide access to health care for everyone, especially those living in rural and remote areas.

Patients of the Rangvasa clinic can also be referred to a number of Indore's hospitals. None of these hospitals require the referred patients to register or pay initial fees, which is a vital part of the bid to provide good healthcare to all. **The Shakti Foundation Trust** is dedicated to improving health awareness and facilities across the wider community. With health being our main priority, our next area of focus will be improving education and boosting employment in and around the city of Indore.

In the year 2016-17 Shakti installed 2 solar pumps sets in 2 draught hit villages of Latur District Maharashtra. It was for a community drinking water programs. The Company helped in providing drinking water to villagers specially during draught.

The Shakti Foundation organizes cloth distribution camps in slums, orphanages and old age houses. Shakti, as an organization, strongly feels about the destitute, and for us, nobody should suffer the lack of clothes.

Free Submersible Pump set installed at Kasturba Gandhi Vidhyalay and Government Hostel, Sulawad Village, District Dhar

Free Solar Pump set installed at BARF College, Ajmer, Rajasthan

CORPORATE MORAL RESPONSIBILITY – GREEN INITIATIVES

The company, in its endeavour to reduce the waste discharge, has adopted the concept of 3R, which means Reduce, Reuse and Recycle with an ultimate goal of achieving zero waste and zero carbon footprints in operations. As a widely acclaimed model, we are also adopting 3R principle, which will be applied to all its operations ensuring minimal discharge of waste in solid, liquid and gaseous forms.

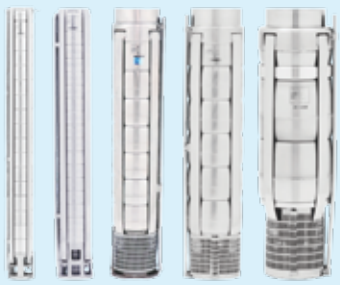
In order to achieve green goals, the Company has undertaken various initiatives like setting up of solar power generation unit for internal use and promote solar energy for various applications. As a key solar pump manufacturer in India and an associate of International Solar Alliance (ISA), we are promoting solar energy applications on a wider scale. The company is working closely with ISA member countries for scaling up of solar water pumping globally to improve energy access and livelihood. We are also working on various government projects in line with the Government of India's national solar mission and installed solar pumping systems across the country under the government's subsidy schemes as well as in market mode. When it comes to the solar rooftop energy generation, as of now, the company has set up approximate 200KW solar rooftop power generation plants at its premises, which produces approximately 800 units of solar energy per day, which meets some of the energy requirements. The company is in the process of enhancing the capacity to a substantial level so that clean energy generated in-house meets a fair share of the energy requirements.

We are also working on energy efficient motors for E-Rikshaw and waste water motors with an ambitious goal of achieving it by 2022. Being an energy-efficient and clean energy product manufacturer, we are keen to extend the applications of solar energy to new tools and equipments, scaling up the use of solar energy contributing to climate change mitigation efforts and reducing carbon footprints for a more sustainable world.

REDUCE . REUSE . RECYCLE

OUR PRODUCT PORTFOLIO

Submersible Pumps

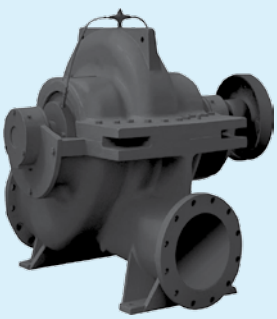


Submersible Motors

Vertical Multistage Centrifugal Pumps

Solar Pumps

SHS - Horizontal Split Case Pumps



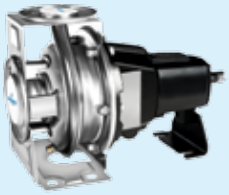
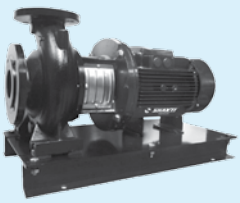
Waste Water Pump

Hydropneumatic Booster System

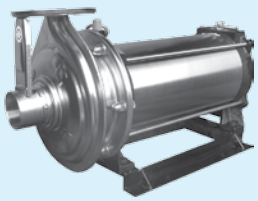
Immersible Pumps - SMTR Series

Single shaft vertical multistage Pump - RO Series

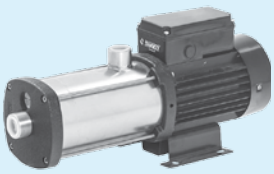
Monoblock End Suction Pumps

Openwell Pumps



Pressure Booster Pumps



Simha Universal Drive

Elite Soft Starter

Hybrid Inverter

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF ECONOMY

GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook.

INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020.

Fiscal deficit for 2017-18 is revised to Rs. 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 inspite of transformation in the economy. In addition to initiatives like; "Make in India", "Housing for All", "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala" initiatives, which is expected to boost the domestic growth of the country.

(Source: IBEF and Trading Economics)

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

(Source: https://www.ibef.org/economy/indian-economy-overview)

GLOBAL WATER PUMPS INDUSTRY

According to a recently published Industry report, global water pumps market is projected to surpass USD 54 billion by 2020.It is expected to grow at a CAGR of 5.9% during 2016-2022. Asia-Pacific accounted for the largest share (42.9%) in the global water pump market, and it is also anticipated to witness the highest growth (CAGR 6.6%) during 2016-2022. The water pumps market has been majorly driven by growth in the residential infrastructures and agricultural activities especially in growing economies such as China, India and Brazil, among others. China is the largest market for water pumps in the region. However, India is expected to witness highest growth in the near future.

(Source: http://www.credenceresearch.com/report/water-pumps-market, TechSci Research: Global Water Pumps Market Forecast and Opportunities, 2020)

Key Growth Drivers

The water pumps industry has been witnessing a significant growth in recent years on account of factors, including the rise in residential and commercial infrastructure in developing nations. In addition, growth in the industrial sector, power and

energy and agricultural sector has also supported the demand for water pumps considerably. Various factors such as the need for more healthy and safe drinking water, water and energy conservation and growing industries have boosted the demand for new and improved water pumps. Availability of a wide variety of water pumps catering to numerous applications and evolution of products for enhanced efficiency and optimum use of power, have proven to be the key promoting factors in the water pump market. The overall water pump market is primarily driven by the consistent rise in the residential and commercial projects in developing nations such as China, India and Brazil, amongst others. Asia and Africa are expected to increase their spending on irrigation and drinking water schemes. This, in turn, is expected to drive the demand for water pumps in the regions. The impact of rising urban population on water pump market is anticipated to remain high over the next few years.

INDIAN WATER PUMPS INDUSTRY

According to a recent industry report, the water pump market in India is projected to surpass $ 3.8 billion by 2022. The Indian Pump industry is growing at an annual CAGR of 10%, which is higher than the international CAGR average of 6% due to the surge in infrastructure development, growth in agriculture and other water intensive industries. The Indian Pump industry offers among the highest net value additions in the engineering industry of over 20%. Moreover, the domestic market for Indian Pumps is growing at a healthy rate of 16-18% per annum. The Indian Pump industry offers excellent growth opportunities for international collaborations as Indian Pumps are exported to more than 100 countries.

The proposed introduction of the Goods and Services Tax (GST) would remove interstate tax variations and more importantly, it is likely to result in higher costs for unorganized manufacturers, making branded players like SPIL more competitive. The proportion of organized manufacturers was 15% a few years ago and can gradually move to over 50% post GST introduction in the next few years. The implementation of GST would reduce the cost advantage of the unorganized sector, which would further accelerate the transition towards organized players.

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Key Growth Drivers

Water Pumps market in India is witnessing an impressive rate of growth on the back of depleting ground water level, rapid urbanization, improving infrastructure including construction of roads, homes, toilets, schools and cleaning of major water bodies. The Government's focus on waste water treatment for industry and commercial units will also open the doors for waste water pumping solutions. Good monsoon and increased farm credit will fuel the growth of the Industry. Demands for pumps are expected to grow substantially, given that the municipal waste disposal facilities of the country modernizes.

Opportunities

Agriculture and Building Services comprise 46% of the market by value of Rs. 3910 Cr. This segment of the Indian pump market is highly fragmented as well as competitive with a large number of small and medium enterprises (SMEs) competing to increase their market share. The biggest markets for agricultural pump sets are the central Indian states of Madhya Pradesh, Maharashtra, Tamil Nadu, Karnataka and Andhra Pradesh.

The government of India over the last couple of years has launched various schemes, which would initiate bulk demand for industrial pumps. Some of the schemes are 'Swachh Bharat Abhiyan' launched by the Prime Minister to ensure hygiene, waste management and sanitation. The government targets to build twelve crore new toilets with which every rural household is expected to have a toilet by 2019. Cleaning the Ganga and its tributaries will require industrial capacity water transmission equipment and a total estimated investment of Rs. 80,000 cr. The government intends to build two crore urban houses areas and four crore rural homes by 2022, investing close to USD 2 Tn into the project.

The influence of 'Make in India' and globalization have compelled Indian manufacturers to export their products, where the demand is high in agriculture, oil and gas, steel and mining applications. The Indian pumps sector enjoys a formidable presence in the Middle East, Africa, Asia-Pacific and US

(Source:https://www.prnewswire.com/news-releases/india-water-pumps-market---competition-forecast--opportunities-2022-300536022.html, https://www.indianpumpsandvalves.com/pumps)

SOLAR PUMPS

India will turn out to be the most lucrative market for solar pump manufacturers over the forecast period. Despite being the third largest regional market for solar pumps after MEA and China, India is anticipated to witness fostered adoption compared to others. As a result, India is expected to be the fastest growing region with an estimated CAGR of over 15% during 2017-2027. SEAP is identified to be emerging as a highly lucrative market for solar pumps with a projected CAGR of more than 12%. The Government of India envisages the solar water pumps for irrigation and drinking water purposes across the country, working with various state Govts by providing monetary and technical assistance to promote the Solar Pumps.

Government Support

The ten-fold growth will make India the sixth largest producer of solar energy globally by 2020. The abundance of solar energy, a push from the government by allowing 100% foreign direct investment and cost effectiveness are key drivers for this sector. India has got millions of water pumps powered by diesel in its vast agricultural sector. Not only is diesel expensive, but also leads to environment degradation and global warming. The government of India has realized that promoting solar powered agricultural pumps will help in reducing the massive energy imposts as well.

Promoting solar pumps through interest rate subvention, rather than capital subsidy, improves the viability of rapid pump deployment from the government's perspective, and can benefit farmers by supporting greater access to solar pumps to more people at a faster pace. Implementation of this approach is particularly dependent on long-term commitment from the government and financiers who should be willing to provide loans.

Power and New & Renewable Energy Minister R K Singh said,

> **"India is progressing fast in the areas of renewable energy and government is committed to meeting target of having 175 GW by 2022. Initially the solar-pumps will be distributed as per the demand from each region but at the later stage, if required, we will provide more pumps."** .

Opportunities

1. International Solar Alliance

The International Solar Alliance (ISA) was unveiled by Prime Minister Narendra Modi and then French President Francois Hollande at the U.N. Climate Change Conference in Paris on November 30, 2015. The idea was to form a coalition of solar resource-rich countries to collaborate on addressing the identified gaps in their energy requirements through a common approach.

The ISA is open to 121 prospective member countries worldwide with a surplus of bright sunlight for most of the year.

India plays a significant role in the alliance in terms of being a host as well as a major contributor to the achievement of the target. The alliance is planning to open a global tender of 500,000 solar pumps for farmers. India is plans to have 100,000 pumps, Bangladesh 50,000 pumps and Uganda 30,000 pumps.

2. Kisan Urja Suraksha Evam Utthaan Mahaabhiyan

Under the **KUSUM scheme** over Rs. 50,000 Cr government support will be allocated to promote the use of solar power among farmers. Under the scheme, the government plans to incentivize farmers to run solar farm water pumps and use barren land for generating power for extra income up to Rs. 60,000 per acre every year. At present, farmers earn about Rs. 30,000 per acre annually from conventional wheat and paddy rotation, after deducting input costs. As per the initial proposal the total cost of the capacities under this scheme was estimated at Rs. 1.4 lakh Cr.

The scheme covers installation of 27.5 (17.50 lakh standalone + 10 Lakh Grid connected. It will help farmers install total of 10 GW of solar power plants - each plant boasting intermediate capacity of 0.5-2 MW - and solarization of tube-wells and lift

irrigation projects. The Centre's contribution was proposed at Rs. 48,000 Cr under the scheme to aid total solar power generation capacity of 28,250 MW over the next 10 years. The government's ambition of having energy mix from non-fossil fuels that India would have half of the installed power generation capacity from non-fossils or renewables like solar, wind and hydro. The government is also pushing for steps such as direct benefit transfer (DBT) for better targeting of subsidies, and separation of wire and supply operations. The KUSUM scheme will help in cultivating unirrigated land and help in grid balancing.

(Source: Economic Times)

3. Various State Govt Initiatives:

Given the benefits in solarisation not just for the farmer but also for Govt's, make us believe that solarisation of pumps needs to be pursued in all earnestness. Few Initiatives are as under

Andhra Pradesh

The energy department will initially launch the project on a pilot basis in **Srikakulam, Vizianagaram** and **Visakhapatnam** districts. Later, about 75,000 solar pump sets at an estimated project cost of Rs. 2,625 crore would be installed in the first phase. The cost will be met by the Discoms with support from funding from World Bank, NABARD and others.

Rajasthan

As per RRECL data, the solar water pump project was started in 2010-11 in **Rajasthan** and till 2016-17, total 29,667 pumps have been installed in the state. In 2017-18, no new solar pumps were installed as tenders were cancelled. These solar water pump plants are generating around 113 megawatt electricity and approximately 74,167 hectares are being irrigated.

Madhya Pradesh

Understanding the problems of the farmers, the Prime Minister of the country and Chief Minister of **Madhya Pradesh** have launched Chief Minister Solar Pump Scheme in Madhya Pradesh. By taking advantage of the scheme, farmers of the state will be able to make agriculture a profit-making business by cultivating commercial crops and by increasing their agricultural production.

The Andhra Pradesh State energy department, which plans to replace the conventional irrigation pump sets with grid-connected solar pump sets, has undertaken study tours in Karnataka and Maharashtra where similar projects are underway. The objective of the grid-connected solar pump sets, the state government said, besides moving towards green energy, is to help farmers generate income by selling excess power. The AgDSM program in Andhra Pradesh involves replacement of 1 lac old inefficient pump sets with BEE five-star rated energy efficient pump sets along with smart control panels in the first phase. Over the next few years, 15 lakh inefficient agricultural pumps would be replaced in the state. The program aims to save 349 million units of energy amounting to savings of Rs. 139.6 crores per annum for the government.

Replacement of 1 million diesel pumps with solar pumps would result in diesel use mitigation of 9.4 billion litres over the life cycle of solar pumps, which translates into diesel subsidy saving of Rs. 8,400 Crore and CO2 emission abatement of 25.3 Mn Tonnes. Forex savings of USD 300 Million per annum on diesel imports for replacement of 1 million diesel pumps translating into forex savings of USD 4.5 Billion over pump life.

New Electronics & Control Division:

Shakti Pumps commissioned its new plant under the Electronics and Control Division at Pithampur, This is a first of its kind fully automated plant, that uses cutting-edge Japanese techniques and manufacturing methods and will manufacture Electric Motor Drive (VFD), Electronic Motor Starters and Hybrid Inverters. These are smart, remotely managed, mobile operated products.

Shakti Pumps, closely partnered with IIT Delhi and IISc Bangalore for various E&C products. As part of the MoU undertaken for design and development of futuristic products in India, the research wing of Shakti Pumps is supported by IIT Delhi under the Government of India's Higher Invention Scheme.

The establishment of this plant paves the way for the Company to advance its portfolio into the **Power Electronics segment,** beyond just being positioned as an efficient pumping solutions provider. This new plant will manufacture and assemble solar VFDs, Hybrid Inverters, Motor Starters and other Power Electronics products. The plant will have a capacity of 100,000 VFDs and inverters per annum.

The uniquely placed E&C Plant and R&D Unit are co-located, yielding a strong advantage over the ones that end up being located in different geographies. The new plant is also expected to create employment opportunities in the field of electronics and power electronics in Central India and will help in augmenting the skilled workforce in the region.

Research & Development Recognition:

Shakti Pumps also received Research & Development recognition certification from Dept. Of Scientific & Industrial Research - Ministry Of Science & Technology, GOI. Which will shows Shakti's international level R&D strength and willingness to towards continues innovation.

MANAGING RISKS AT SHAKTI PUMPS

High competition from unorganized/MNC sector

Unorganized sector accounts for more than 40-45% of the domestic pumps industry. Farmers are attracted by the lower initial cost of pumps by the unorganized sector. Competition from MNC manufacturers could also dent the company's prospects.

Mitigation: The Company's qualitative consistency ensures that it's able to address the different needs of customers in a competitive marketplace

High dependency on agriculture sector
Agriculture accounts for the major chunk of demand for pumps in India. However, due to the unpredictability of monsoons there is wide fluctuation in demand and maintaining inventory becomes difficult.

Mitigation: The Company has a presence in 100 countries, 13 states in India with thanks to its wide product portfolio and fungible production facilities.

Manufacturing risk
Any technical fault in machinery may lead to capacity under utilisation.

Mitigation: Shakti Pumps has in place an infrastructural platform that is at par with the best in the world; maintenance exercises are undertaken routinely.

Technological risk
Qualitative inconsistencies might lead to a decline in demand.

Mitigation: Shakti Pumps utilises state-of-the-art technology and robotics to guarantee manufacture of superior quality marked by increased precision, accuracy and performance.

Liquidity risk
The risk of not being able to sell an asset efficiently can affect liquidity.

Mitigation: The Company monitors and controls liquidity regularly and maintains a minimum requirement at all times.

FINANCIAL REVIEW

Profit and loss account analysis

Gross revenues
Gross revenues increased by 1.76% to Rs. 43,660 Lakhs in 2017-18, compared with Rs. 42,904 Lakhs reported in 2016-17.

Operating profit
Operating profit (EBITDA) increased by 29.36% to Rs. 8,093 Lakhs in during 2017-18 from Rs. 6,256 Lakhs in 2016-17.

Depreciation
Depreciation for the year under review stood at Rs. 1,395 Lakhs, compared with Rs. 1,280 Lakhs recorded in the previous year, up by 8.98% on a Y-o-Y basis.

Finance costs
Finance costs for the year under review decreased by 15.15% from Rs. 1,651 Lakhs in FY17 to Rs. 1,401 Lakhs in FY18.

Net profit
Net profit for the year under review stood at Rs. 3,411 Lakhs from Rs. 2,164 Lakhs.

Balance Sheet analysis

Net worth
The Company's net worth stood at Rs. 25,363 Lakhs as on 31st March, 2018, increasing by 13.5%, compared with Rs. 22,343 Lakhs as on 31st March, 2017. The net worth comprised paid-up equity share capital amounting to Rs. 1,838 Lakhs as on 31st March, 2018 (18380156 equity shares of Rs. 10 each fully paid up). The Company's reserves and surplus stood at Rs. 23,525 Lakhs.

Loan profile
Short-term loan funds stood at Rs. 9,566 Lakhs compared to the previous year's Rs. 8,206 Lakhs, while long-term borrowings stood at Rs. 1,465 Lakhs. The Company's total debt as on 31st March, 2018 stood at Rs. 11,031 Lakhs compared to the previous year's of Rs. 8,915 Lakhs.

Total assets
The Company's total assets increased to Rs. 45,745 Lakhs in 2017-18 from Rs. 41,894 Lakhs in 2016-17, representing an increase of 9.19%.

Inventories
Inventories is Rs. 11,614 Lakhs compared to Rs. 10,352 Lakhs during the previous year.

Trade Receivables
Sundry debtors of the Company stood at Rs. 14,334 Lakhs in FY18, compared to Rs. 13,840 Lakhs during the previous year.

Trade Payables
Trade payables stood at Rs. 4,980 Lakhs, compared to Rs. 5,816 Lakhs in the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and those transactions are authorised, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in-house internal audit department. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and for maintaining accountability of persons.

HUMAN RESOURCES

The Company believes in working as a team to meet targets and hence puts emphasis on providing equal opportunities to all employees. The Company believes in creating a meritocracy and as such uses a balanced scorecard method to appraise the performance of its workforce. The Company believes in the potential of young professionals and challenges them to accept and deliver additional responsibilities. The Company reinforces the capabilities of its workforce numerous in-house training programmes and job-specific training drills. As of 31st March, 2018, the Company had 580 employees on its payroll.

CAUTIONARY STATEMENT:

The information and opinion expressed in this report and as well as Directors' 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 infrastructure spend in the country, significant changes in political and economic environment in India, volatility in the prices of major raw materials and its availability, tax laws, exchange rate fluctuations, interest and other costs.

STATUTORY SECTION

NOTICE

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the Members of Shakti Pumps (India) Limited will be held at the Registered Office of the Company at Plot No. 401, 402 & 413 Sector III, Industrial Area, Pithampur Dist. Dhar (M.P.) - 454774 on 27th September, 2018, Thursday, at 12:30 P.M. to transact the following Business:

1. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial Statements) for the financial year ended March 31, 2018 and the Report of the Directors and Auditors thereon.

2. To declare Dividend on Equity Shares of Rs. 3.7/- Per Equity Shares of Rs. 10/- each of the Company for the Financial Year ended March, 31, 2018.

3. To appoint Director in place of Mr. Ramesh Patidar (DIN: 00931437), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

4. To appoint of M/s. PGS & Associates as Statutory Auditors.

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, if any, read with Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof M/s. PGS & Associates, Chartered Accountants, Mumbai (Firm Registration No. 122384W) be and is hereby appointed Statutory auditors of the Company and to hold office from the conclusion of Twenty Third Annual General Meeting till the conclusion of Twenty Sixth Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable Goods & Services tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do such acts, deeds, matters and things which may deem necessary in this behalf.

SPECIAL BUSINESS:

5. 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 2018-19.

   "**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 2018-19, be paid a remuneration of Rs. 55,000/- per annum plus applicable Goods & Services tax and out of pocket expenses that may be incurred."

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

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   Re-appointment of **Mr. Dinesh Patidar** (DIN: 00549552) as Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 1st September 2018 till 31st August 2021.

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Patidar (DIN:00549552) as Key Managerial Personnel and designated as Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1st September 2018 till 31st August 2021, and to his remuneration by way of salary, commission, perquisites and/or allowances, as Managing Director of the Company

as approved and recommended by the Nomination and Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Dinesh Patidar of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 23rd Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Dinesh Patidar as, Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Dinesh Patidar, provided, however, that the remuneration payable from time to time within the provisions of the Act, rules thereto and Schedule V of the Act, or any amendment thereto or any re-enactment thereof."

"**RESOLVED FURTHER THAT** where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Dinesh Patidar minimum remuneration by way of salary, perquisites and/or allowances, commission subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the said Act, as applicable to the Company at the relevant time depending upon the effective capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Mr. Dinesh Patidar, the Managing Director of the Company subject to necessary approval(s) as may be required."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable 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: 16/08/2018

NOTES:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members' not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.

3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulation 2015 are provided.

4. 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.

5. The Register of Members and Share Transfer Book of the Company shall remain closed from Thursday, September 20, 2018 to Thursday, September 27, 2018 (both days inclusive).

6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on Wednesday, 19th September, 2018; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by Central Depository Services (India) Limited & National Securities Depository Limited (NSDL) as beneficial owners on that date.

7. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.

8. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/s.Adroit Corporate Services Pvt. Ltd, 19/20, Jafferbhoy Industrial Estate, 1st Floor Makwana Road, Marol Naka Mumbai, Maharashtra -400059.

9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Share Transfer Agent.

11. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

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

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.

13. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

14. Electronic copy of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website at www.shaktipumps.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@shaktipumpsindia.com.

16. Pursuant to Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, 2015, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed in the AGM by electronic means. The members whose names appear in the Register of Members/ List of Beneficial owners as on Wednesday 19th September, 2018 i.e. the date prior to the commencement of Book Closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting systems from any place other than the venue of the meeting (remote e-voting). The remote e-voting will commence at 9:00 a.m. on Monday, 24th September, 2018 and will end at 5:00 p.m. on Wednesday, 26th September, 2018. In addition, the facility of voting through electronic voting system shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter>

17. SEBI vide their Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has mandated all listed Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by the Companies. You are requested to update your PAN and Bank details by writing to the Company's RTA.

18. SEBI vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, dated June 8, 2018, has mandated that the transfer of securities would be carried out in dematerialized form only w.e.f. December 5, 2018. You are accordingly advised to dematerialize your physical shareholding at earliest. After December 5, 2018, no request for transfer of shares in physical form can be processed by the Company/RTA.

19. Members having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at least 15 days in advance of the Meeting at the Company's registered office or at E-mail Id: cs@shaktipumpsindia.com to enable the Company to collect the relevant information and redress the queries.

20. Members holding shares in single name in physical form are advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination in Form SH-13 and SH-14, respectively, the same forms can be obtained from the Registrar and Transfer Agent of the Company.

21. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio.

22. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

23. The Board of Directors of the Company has appointed Mr. Manish Maheshwari (C.P 3860) Proprietor of M/s M. Maheshwari& Associates, Indore as Scrutinizer to scrutinize the remote e-voting process and Ballot papers process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the paid up value of shares registered in their name as at close of business hours on the Cut-Off date i.e. Wednesday, September 19, 2018. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.

24. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in the employment of the Company and shall within 2 days of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized who shall countersign the same and declare the result of the voting forthwith.

25. The results along with Scrutinizer's Report, will be placed on the Company's website at www.shaktipumps.com and the website of CDSL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

26. E-voting:
    The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 24th September 2018, 9:00 a.m. and ends on 26th September 2018, 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 19th September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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 as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available atwww.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: 16/08/2018

ANNEXURE TO THE NOTICE

Explanatory Statement in respect of Special Business Pursuant to Section 102 of The Companies Act, 2013.

Item No. 5

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 August 16, 2018, 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 2018-19 at a remuneration of Rs. 55,000/- 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.

Item No. 6

The tenure of Mr. Dinesh Patidar (DIN: 00549552), as Managing Director of the Company to be expired on 31st August 2018. Based on the recommendation and approved by Nomination and Remuneration Committee, the Board at its meeting held on 16th August 2018, has re-appointed as Managing Director for a further period of three years commencing from 01st September, 2018 till 31st August, 2021, on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Dinesh Patidar as contained in the agreement signed between Mr. Dinesh Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"), A brief profile of Mr. Dinesh Patidar is included as an annexure to this Notice as per the requirements of Regulation 17 SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

The terms and conditions on which Mr. Dinesh Patidar is proposed to be re-appointed as Managing Director are as under: -

a) **Term: -** The term of Managing Director is for a period of Three Years commencing from 1st September, 2018 till 31st August, 2021.

b) **Salary: -** Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) per month.

c) **Commission: -** Commission 1% of the Net Profits of the Company computed in the manner laid down under Section 197(6) of the Companies Act, 2013.

d) **Perquisites: -**

The perquisites shall be valued as per Income Tax Rules, 1962. For this purpose, perquisites will be as follows: -

1. **Medical Reimbursement:** The reimbursement of actual medical expenses incurred by self and family of the Managing Director.
2. **Travelling Expenses Reimbursement:** The reimbursement of actual travelling expenses incurred him.
3. **Health Insurance:** Health Insurance premium for covering self and dependent family members of Mr. Dinesh Patidar.
4. **Leave Travel Concession:** For self and family once in a year.
5. **Leave:** As per the Rules of the Company applicable to the Senior Executives.
6. **Accident Insurance:** Premium not to exceed Rs. 12,000/- per annum.
7. **Education Allowances:** upto the Rs. 2 Lacs per annum. (Not Part of Salary)
8. **Car:** Facility of Company Car
9. **Other Perquisites:** Performance Incentives, Commission. (Not Part of Salary).

e) **Other Benefits: -**

In addition to the perquisites, the Managing Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above: -

1. Provident Fund: - Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' provident fund and Miscellaneous Provisions Act, 1952.

2. Superannuation Fund: -Company's Contribution subject to a maximum of 15% of the Salary for every completed year of service.

3. Gratuity: As per the rules of the Company applicable to the Senior Executive.

4. Leave Encashment: Payable annually-in excess of 90 days.

Considering the Vast knowledge and rich business experience of Mr. Dinesh Patidar, the Board recommends the passing of said **Special resolution** in the interest of the Company.

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Sunil Patidar is, in any way, concerned or interested, financially or otherwise, in the Resolution.

f) Reimbursement of Expenses: -

Expenses incurred for travelling, boarding and lodging including for Mr. Dinesh Patidar's spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.

Overall Remuneration

Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to the Managing Director and Whole-time Director of the Company, as calculated in accordance with Section 197 and other applicable provisions read with Schedule V to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointees, the Company may pay them remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of Schedule V to the said Act, as may be applicable at the relevant time, subject to necessary approval(s) as may be required.

The perquisites specified in Section II of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on remuneration specified under Section II of Part II of Schedule V to the Act. The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable otherwise at actuals.

The remuneration details and terms and conditions are set out as above may be treated as an abstract of the terms of appointment pursuant to Section 190 and 196 of the Companies Act, 2013

Sitting Fee

The appointees shall not so long as they act as Chairman & Managing Director of the Company, be paid any sitting fees for attending any meeting of the Board or Committee thereof.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving three calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to the appointees three months' salary as specified hereinabove under the head Remuneration, in lieu of three calendar months' notice required to be given under this clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of the appointees by being delivered either personally to them or left for them at their addresses last known to the Company or sent by registered post addressed to them at such address and in the case of the Company by being delivered at or sent by registered post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted. In terms of requirements under Schedule V to the Companies Act 2013, the Company requires to seek members' approval by a special resolution for minimum remuneration payable to the respective appointees in the scale laid down in Section II of Part II of Schedule V to the Act. In the event of loss or inadequate profits, the Company will obtain approval of Central Government for continuing the payment of Remuneration to the aforesaid appointees.

Memorandum of Interest

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Dinesh Patidar and Mr. Sunil Patidar is, in any way, concerned or interested, financial or otherwise, in the aforesaid Resolution. The Board accordingly recommends the Resolutions set out in item Nos. 6 of the accompanying Notice for members' approval by way of Special Resolution.

Inspection of documents

The draft of the proposed Agreements to be entered into between the Company and the appointees are available for inspection by

the Members of the Company at its Registered Office, on any working day prior to the date of the meeting during 2.00 p.m to 4.00 p.m and will also be available at the meeting.

Abstract of Terms and Conditions

This should be treated as an abstract of the terms of appointment and memorandum of interest of the respective appointees as required under Section 190 of the Act. In terms of the Schedule V of the Companies Act, 2013 the following information is given to the shareholders:

Statement pursuant to the provisions of Part II section II (B)(iv) of Schedule V of Companies Act, 2013:

1. General Information:	
1 Nature of Industry	Manufacturing of Pumps and Motors
2 Date commencement of commercial production	1995
3 Financial performance based on given indicators	

(Rs. in lakhs)

Year ending 31st March	Standalone Sales	Operating Profit	Profit before Tax	Profit after tax
2014	29655.23	4828.48	3569.87	2651.34
2015	29852.31	4818.51	3502.08	2571.26
2016	26384.79	1743.45	342.85	197.51
2017	40492.85	4728.90	3132.90	2132.16
2018	41314.06	5781.52	4422.46	2711.05

4 Export Performance Consolidated	FOB Value of Export for the year 2015-16 - Rs. 1,12,74,89,016 2016-17 - Rs. 1,17,60,59,339 2017-18 - Rs. 1,30,02,00,481
5 Foreign investments or collaboration, if any	Company has four foreign wholly owned Subsidiary namely:- Shakti Pumps USA, LLC Shakti Pumps FZE, UAE Shakti Pumps Pty Ltd, Australia Shakti Pumps (Shanghai) Limited, China

II. Information about the appointee:		
Background details	He is an Industrialist and currently the Managing Director of the Company. He is a graduate and has over 32 years of experience in business of Pumps and Motors.	
Past remuneration	The remuneration drawn by Mr. Dinesh Patidar during the past two years is as follows:	
b) Past remuneration	Year	Rs
	2015-16	1.68 Crs.
	2016-17	1.44 Crs.
	2017-18	1.68 Crs.
c) Recognition or awards	The appointee takes interest in the social and cultural activities.	
d) Job Profile and Suitability	Mr. Dinesh Patidar is Managing Director of the Company. Devotes his whole time and attention to the business and management of affairs of the Company and carries out such duties as entrusted to him by the Board and exercises such powers as assigned to him from time to time by the Board subject to superintendence control and direction of the Board in connection with and in the best interest of the Company including the business of its associates and/or its subsidiaries. He is one of the Promoters of the Company. His job profile centers to provide vision, guidance and direction for long term growth of the Company.	
e) Remuneration Proposed	It is proposed to pay consolidated remuneration to Mr. Dinesh Patidar upto Rs. 3.00 Crores per annum (Rupees Three Crores Only) per annum by way of Salary.	
f) Comparative Remuneration Profile with respect to Industry, Size of Company, Profile of the position and person.	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similar positioned businesses.	

g) Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any.	Except salary and perquisites to be received from the Company by the appointee including their relatives and to receive dividend declared by the Company, if any, including amounts disclosed in the Annual Report under the related party transactions, Mr. Dinesh Patidar do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company.

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

Mr. Dinesh Patidar

Age	56 years
Qualifications	Graduate
Experience	33 years
Terms And Conditions of appointment or re-appointment	(i) Tenure of this appointment shall be three years with effect from 1st September 2018 to 31st August 2021. (ii) The Managing Director of the Company is the whole time Director of the Company and shall not be liable to retire by rotation. The Managing Director would be employed on a whole time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. (iii) The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act. (iv) Managing Director will cease to be Director on cessation of his employment with the Company. (v) The appointment shall be governed by section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. (vi) The separation from this engagement could be effected by either side giving three months' notice.
Last drawn remuneration	Rs. 1.68 Crores per annum
Date of first appointment on the Board	April 21, 1995
No. of shares held	3521488 shares
Relationship with Directors, Managers & KMP	Brother of Mr. Sunil Patidar (Whole-Time Director)
Number of Board Meetings Attended during the year	3 (Three)
Other Directorships	(i) Shakti Irrigation India Limited. (ii) Shakti Energy Solutions Private Limited (iii) SPIL Energy Limited
Chairman/ Member of the Committees of the Boards of other Companies	N.A.

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

Place: Pithampur
Date: 16/08/2018

Ravi Patidar
Company Secretary
M. No. ACS32328

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:

Name of Directors	Mr. Ramesh Patidar
Date of Birth	January 25, 1973
Expertise in specific functional areas	International Business
Date of appointment	October 17, 2006
No. of Equity Share held in the Company	76848 Equity Shares
Disclosure of relationships between directors inter-se	Nil
Qualification	M.B.A.
List of outside Directorship held in Public Company	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil

BOARDS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 23rd Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2018.

Financial Highlights:

The financial Summary:

(Rs. In Lacs)

Particulars	2017-18	2016-17
Sales & Other Income	44,010.12	43,114.99
Profit before Finance Cost, Depreciation & Tax	8,092.84	6,255.99
Finance Cost	1,400.91	1,651.35
Depreciation & Amortization Expenses	1,394.95	1,279.80
Profit before Tax	5,296.98	3,324.84
Current Tax	1,731.28	1,036.55
Deferred Tax	1,54.56	123.62
Profit after Tax	3,411.14	2,164.67

Financial Performance

During the year, your Company has registered sales and other income Rs. 44,010.12 Lacs as compared to Rs. 43,114.99 Lacs of previous year showing increase of 2.07%. Company was able to register a domestic sales of Rs. 29,488.95 Lacs and export sale of Rs. 13,002.00 Lacs in the current year in place of Rs. 11,760.59 Lacs in the previous year, a increase of 10.55% and there was an overall increase in sales by 2.07% the Company earned profit before depreciation, interest and tax of Rs. 8,092.84 Lacs as against Rs. 6,255.99 Lacs in the previous year.

Dividend

Based on the Company's performance, the Board of Directors recommend for approval of the members, a dividend of Rs. 3.70 (37%) per fully paid-up Equity Shares of Rs. 10/- each of the Company, for the year ended March 31, 2018, if approved by the members, would involve a cash outflow of Rs. 680.06 Lakhs.

Transfer of Reserve

The Company has not transferred any amount to the Reserves for the year ended 31st March 2018.

Listing Information

The Company Shares are listed as follows:

Name of Stock Exchanges	Stock Code/Symbol
BSE Limited (BSE)	**531431**
National Stock Exchange of India Limited (NSE)	**SHAKTIPUMP**

Share Capital

There is no change in the authorized share capital of the company and the authorized share capital of the Company as on 31st March, 2018 is Rs. 40.00 crores.

The Company has not allotted any shares during the year. The paid up share capital of the Company as on 31st March, 2018 is Rs. 18,38,01,560/-

Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2018 your Company is having following Subsidiaries:

1. Shakti Pumps USA, LLC
2. Shakti Pumps FZE, UAE
3. Shakti Pumps Pty Ltd, Australia
4. Shakti Pumps (Shanghai) Limited- China
5. Shakti Energy Solutions Private Limited.

There has been no material change in the nature of the business of the Company and its Subsidiary.

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 in **Annexure-I**.

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.

Director's Responsibility Statement

As required by section 134(3)(c)of Companies Act 2013.

Your Directors state that:-

a) In the preparation of the annual accounts for the year ended March 31, 2018, 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, 2018 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.

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., the decorative business international operations, industrial and home improvement business, 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, 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 Statutory Auditors 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.

Deposits

During the financial year 2017-18, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Company's (Acceptance of Deposits) Rules, 2014.

Details of Significant and Materials order passed by the Regulators, Courts, Tribunals

No significant and material order has been passed by the regulator, courts, tribunals impacting the going concern status and Company's operations in future.

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.

Pursuant to requirements under section 135 and rules made there under a Report on CSR activities and initiatives taken during the in prescribed format is given in **Annexure II** which is annexed hereto and forms part of Director Report.

Risk Management

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.

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.

Contracts and Arrangements with related parties

All transactions entered with related parties during the financial year 2017-18, were on an arm's length basis and were in ordinary course of Business and the provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions during the year made by the Company with promoter, Directors, Key Managerial personnel or other designated persons which may have potential conflict with the interest of the Company at large.

All related party transactions are placed before the audit committee for approval. Prior omnibus approval of the audit committee is obtained for the transaction which is of a foreseen and repetitive nature. Transaction entered into pursuant to omnibus approval so granted along with statements giving details of all related party transaction are placed before the audit Committee.

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.

Directors

Mr. Ramesh Patidar, Whole-Time Director (DIN: 00931437) retires from the Board by rotation and being eligible, offer himself for reappointment.

The above is subject to approval of the Shareholders in the ensuing Annual General Meeting.

Re-appointment of Mr. Dinesh Patidar (DIN: 00549552) as Managing Director on the Board with effect from 1st September 2018 to 30th August 2021 for a period of three years, subject to approval of Members of your Company at the ensuing Annual General Meeting.

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. The Nomination and Remuneration Policy for the members of Board and Executive Management is available on the Company's website, www.shaktipumps.com

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 29, 2018 without the attendance of Non-Independent Directors and Members of the Management. The Committee has reviewed the performance and effectiveness of the Board in this meeting as a whole for the Financial Year 2017-18.

Finance and Accounts

The agenda for the Finance and Accounts function of your Company is to assist in driving superior performance of the business, pioneer-thought leadership and develop future-ready talent in finance.

- **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.

- **Goods and Service Tax**
  Goods and Service Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribution to the Prime Minister's mission of "Make in India". Your Company has been preparing for migrating to GST for the past year; changes across IT systems. Supply Chain and operations have been made keeping in mind the sweeping changes that GST would bring in. While there are few areas that need to be addressed, the Government has announced an intention to go live on GST on 1st July, 2017 and your Company will be ready for this transformative reform.

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:

Mr. Dinesh Patidar: Managing Director (DIN: 00549552)
Mr. Sunil Manoharlal Patidar: Whole Time Director (DIN: 02561763)
Mr. Ramesh Patidar: Whole Time Director (DIN: 00931437)
Mr. Akhilesh Maru: Chief Financial Officer
Mr. Ravi Patidar: Company Secretary & Compliance Officer

Number of Meetings of the Board

The details of the number of Board and Audit Committee meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

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 given in **Annexure III**.

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.

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

The Company's auditors M/s. Modi Manoj & Co., Chartered Accountants, who are the statutory auditors of the company, hold office till the conclusion of the 25th Annual General Meeting and being not eligible for reappointment have tendered their resignation. Pursuant to the provisions of Section 139 of Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. PGS & Associates . (FRN: 122384W), Chartered Accountants, Mumbai, who have given their consent as per the provisions of section 139 (1) to act as Statutory Auditors of the Company and based on the recommendation of the Audit Committee and the Board of directors in its meeting held on 16th August, 2018 for a period of three year from the conclusion of 23rd Annual General Meeting up to the conclusion of the 26th Annual General Meeting, subject to approval of Members in ensuing Annual General Meeting.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules

issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from M/s. PGS & Associates. Further, M/s. PGS & Associates., Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

The Auditor's Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The Board has appointed Mr. Manish Maheshwari (FCS 5174), Practicing Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed herewith **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 2018-19 at a remuneration of Rs. 55,000 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.

Extract of Annual Return

The extract of Annual Return as on March 31, 2018 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as `**Annexure V**` and forms part of this Report.

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.

Particulars of Loans given, Investments made, Gaurantees given and Securities provided

The Details of loans, guarantees or investments covered under the provision of under Section 186 of the Companies Act, 2013 are given in the Note to the Financial Statement.

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 set out herewith as "**Annexure VI**" to this Report.

Acknowledgement

The Directors of the Company wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Appreciation and Acknowledgements

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 endeavour 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: -16th August 2018

Dinesh Patidar
Chairman
DIN:-00549552

ANNEXURE 'I'

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 Rs.)

1.	Name of the subsidiary	Shakti Pumps LLC	Shakti Pumps FZE	Shakti Pumps PTY Limited	Shakti Pump (Shanghai) Ltd.	Shakti Energy Solutions Pvt. Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 64.15	AED 17.00	AUD 50.35	RMB 0.00	-
4.	Share capital	3331941	15656115	11781963	-	8811440
5.	Reserves & surplus	-	-	-	-	48373012
6.	Total assets	113457364	144802256	12187900	-	86189734
7.	Total Liabilities	110125423	129146141	405937	-	29005282
8.	Investments	-	-	-	-	-
9.	Turnover	190405208	418413517	4985483	-	28287376
10.	Profit before taxation	44595706	38973711	887442	-	1496691
11.	Provision for taxation	16913449	-	-	-	529988
12.	Profit after taxation	27682257	38973711	887442	-	966703
13.	Proposed Dividend	-	-	-	-	-
14.	% of shareholding	100	100	100	100	100

Notes:

The following information shall be furnished at the end of the statement-

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B":- Associates and Joint Ventures

NIL

ANNEXURE 'II'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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.

The CSR policy is available on companies website .i.e. www.shakti pumps.com.

Average net profit of the company for last three financial years:-
Average net Profit Rs. 25,75,54,492 /-

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) The Company is required to spend Rs. 51,51,090/- and Previous year unspent amount Rs. 12,19,063/-

   The Total Amount required to be spent for the Financial 2018-19 of Rs. 63,70,153/-.

5. Details of CSR spend for the financial year:-
   a) Total amount to be spent for the financial year 2017-18: Rs. 51,51,090/-
   b) Amount unspent for previous year: Rs. 12,19,063/-
   c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or Activity identified	Sector in Which the project is Covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where Projects or Programs was undertaken	Amount Outlay (Budget) project or programs wise (Rs.)	Amount spent on the project or programs (Rs.)	Cumulative expenditure up to reporting period (Rs.)	Amount spent: Direct or through Implementing agency (Rs.)
1	Installation of Solar System:- Gujarat Energy Research And Management	Social	Surat	2,00,000	190,335	1,90,335	0
2	Installation of Solar System:- Shri Umiya Kanya Mahavidhyalaya	Social	Indore	4,00,000	3,75,714	5,66,049	0
3	Installation of Solar System:- Indian Institute of Science for Laboratory	Social	Bangalore	20,00,000	20,00,000	25,66,049	0
4	Installation of Solar System Village Bhagwanpur Dist. Rewari HR	Social	Dist. Rewari HR	12,50,000	10,47,619	36,13,668	0
5	Initiative for Moral & Cultural Training Foundation	Social	Ujjain	1,50,000	1,50,000	37,63,668	0
6	Annual Function Donation	Social	Mhow	5,000	5,000	37,68,668	0
7	Laptop SGSITS College for poor Childs	Social	Indore	36,000	36,000	38,04,668	0
8	Shakti Foundation School Fees & Others for poor Childs	Social	Indore	12,50,000	12,50,000	50,54,668	0

Implementing Agency:

6. During the financial year Company has spent Rs. 50,54,668/- out of Rs. 63,70,153 /- and the Company could not spend the remaining balance amount due to difficulties of fund allocation and need more time for verification of various proposal received from Implementing Agencies. Company is fully committed & dedicated towards its Social Responsibility. The balance amount will be spent in the financial year 2018-19.

7. The CSR Committee of the Board of Directors hereby confirms that implementation and Monitoring is fully accordance with the CSR Policy of the Company. The amount spent under CSR activities was fully complied with CSR objective and Policy of the Company. The said contribution does not violate any provision of the Companies Act, 2013 and Rules made their under.

Signature	Signature
Dinesh Patidar Patidar Managing Director (DIN :00549552)	Shyam Sunder Raghuvanshi Chairman CSR Committee (DIN : 02285272)

ANNEXURE 'III'

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION MANAGERIAL PERSONNEL RULE 2014.

1) The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2017-18 and ratio of remuneration of each key managerial personnel (KMP) against the performance are as under: -

S. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for the Financial year 2017-18 (In Rs.)	Percentage Increase in Remuneration for the Financial Year 2017-18	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Dinesh Patidar Managing Director	1,68,00,000	0	55
2	Mr. Sunil Patidar Whole- Time Director	23,52,639	0	7.55
3	Mr. Ramesh Patidar Whole Time Director	31,00,270	20.65%	10
4	Mr. Akhilesh Maru Chief Financial Officer	22,39,356	10.75%	7
5	Mr. Ravi Patidar Company Secretary	7,60,800	19.05%	2.50

2) The Median Remuneration of Employees of the Company during the financial year was Rs. 3,11,424/-

3) There was an increase of 38.14% in median remuneration of employees during the financial year.

4) The number of permanent employees on the rolls of the Company is 590 for the year ended March 31, 2018.

5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year 2017-18 was 16.68% affirmed that remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.

ANNEXURE 'IV'

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the companies act, 2013 and rule no.9 of the companies (appointment and remuneration of managerial personnel) rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

We have conducted the Secretarial Audit of the compliance of applicable statutory 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 me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **SHAKTI PUMPS (INDIA) LIMITED** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2018** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **March 31, 2018** according to the 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;

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, 2009 and amendments from time to time.
   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014.
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
   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 during the reporting period under Audit)
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999. (Not applicable as the Company during the reporting period under Audit)

vi. We 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, as informed / confirmed to us.
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

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

(i) Secretarial Standards 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

We further report that

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, 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.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously/majority as recorded in the Minutes of the Board of Directors of the Company or committee of the Board, as the case may be. The dissenting members' views, if any, are captured and recorded as part of the minutes of the respective meetings.

We 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.

We further report that during the Audit period the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard, etc.

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

Date : 14.08.2018
Place : Indore

MANISH MAHESHWARI
Proprietor
FCS 5174
C.P. No.3860

Dated: 28th July 2017

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

Our 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. We 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we 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 : 14.08.2018
Place : Indore

MANISH MAHESHWARI
Proprietor
FCS 5174
C.P. No.3860

ANNEXURE 'V'

FORM MGT 9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2018
Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

I	CIN	L29120MP1995PLC009327
Ii	Registration Date	21/04/1995
Iii	Name of the Company	Shakti Pumps (India) Limited
Iv	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
V	Address of the Registered office & contact details	Plot no. 401, 402 & 413 Sector III Industrial Area Pithampur -Dist. Dhar-M.P.-454774
Vi	Whether listed company	Yes
Vii	Name , Address & contact details of the Registrar & Transfer Agent, if any	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 | Direct: +91 (0)22 42270423 |Fax: +91 (0)22 285037

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. no.	Name & Description of main Product / services	NIC Code of the Product /service	% to total turnover of the company
1.	Manufacturing Pumps and Motors	28132	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name	Address	Description
1	Shakti Pumps USA, LLC	821 West forest Brook Rd Maitland 32751	Wholly Owned Subsidiary
2	Shakti Pumps FZE,UAE	Saifzone Sharjah, UAE.PO BOX	Wholly-Owned Subsidiary
3	Shakti Pump Pty Ltd. Australia	Suite 301, Level 3, 171 Clarence Street, Sydney, NSW, 2000	Wholly-Owned Subsidiary
4	Shakti Energy Solution Pvt. Ltd.	S-3/4, Industrial Area, Sector-III, Pithampur DHAR MP 454001 IN	Wholly-Owned Subsidiary
5	Shakti Pump (Shanghai) Ltd., China	Shakti Pumps (Shanghai) Ltd.:- Suite 137, 1St Floor, No. 45 Fei La Road, Shanghai Free Trade Zone China	Wholly-Owned Subsidiary

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year				No.of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	47500	0	47500	0.26	417694	0	417694	2.27	2.01
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Directors	5083688	0	5083688	27.66	5083688	0	5083688	27.66	0.00
g) Directors Relatives	3266000	0	3266000	17.77	3266000	0	3266000	17.77	0.00
Sub Total : A(1)	**8397188**	**0**	**8397188**	**45.69**	**8767382**	**0**	**8767382**	**47.70**	**2.01**
(2) Foreign									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : A(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Share holding of Promoters (A)=(A)(1) + (A)(2)	**8397188**	**0**	**8397188**	**45.69**	**8767382**	**0**	**8767382**	**47.70**	**2.01**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	340000	0	340000	1.85	14000	0	14000	0.08	-1.77
b) Banks/FI	30781	0	30781	0.17	79758	0	79758	0.43	0.27
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
Sub Total : B(1)	**370781**	**0**	**370781**	**2.02**	**93758**	**0**	**93758**	**0.51**	**-1.51**

(2) Non - Institutions									
a) Bodies Corporates									
ai) Indian	3693739	0	3693739	20.10	2606565	0	2606565	14.18	-5.91
aii) Overseas	1636363	0	1636363	8.90	1636363	0	1636363	8.90	0.00
b) Individuals									
bi) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	2574344	78804	2653148	14.43	2993255	61108	3054363	16.62	2.18
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	1042560	24800	1067360	5.81	1324772	24800	1349572	7.34	1.54
c) Any Other (Specify)									
c-1) Foreign Portfolio Investors	44556	0	44556	0.24	44544	0	44544	0.24	0.00
c-2) Non Resident Indians (Individuals)	281945	0	281945	1.53	300489	0	300489	1.63	0.10
c-3) Trusts	180624	0	180624	0.98	138695	0	138695	0.75	-0.23
c-4) Clearing Member	54452	0	54452	0.30	25412	0	25412	0.14	-0.16
c-5) Alternative Investment Fund	0	0	0	0.00	269645	0	269645	1.47	1.47
c-6) Investor Education And Protection Fund	0	0	0	0.00	16520	0	16520	0.09	0.09
c-7) Directors	0	0	0	0	0	0	76848	0.42	0.42
Sub Total : B(2)	**9508583**	**103604**	**9612187**	**52.30**	**9433108**	**85908**	**9519016**	**51.79**	**-0.51**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**9879364**	**103604**	**9982968**	**54.31**	**9526866**	**85908**	**9612774**	**52.30**	**-2.01**
C. Shares held by Custodian for GDRs & ADRs									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : (C)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Shares held by Custodian for GDRs & ADRs (C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A + B + C)	**18276552**	**103604**	**18380156**	**100.00**	**18294248**	**85908**	**18380156**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	No.of Shares held at the beginning of the year			No.of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ANKIT PATIDAR	1500000	8.16	0.00	1500000	8.16	0.00	0.00
2	DINESH PATIDAR	3521488	19.16	0.00	3521488	19.16	0.00	0.00
3	SEEMA PATIDAR	94000	0.51	100.00	94000	0.51	100.00	0.00
4	VINTEX TOOLS PRIVATE LIMITED	47500	0.26	0.00	417694	2.27	0.00	2.01
5	INDIRA PATIDAR	334000	1.82	50.90	334000	1.82	50.90	0.00
6	PALLAVI PATIDAR	341800	1.86	53.25	341800	1.86	53.25	0.00
7	AISHWARYA PATIDAR	385400	2.10	72.03	385400	2.10	72.03	0.00
8	GEETA PATIDAR	610800	3.32	72.69	610800	3.32	72.69	0.00
9	SUNIL PATIDAR	1562200	8.50	64.40	1562200	8.50	64.40	0.00
	Total	**8397188**	**45.69**	**25.88**	**8767382**	**47.70**	**24.79**	**2.01**

iii. Change in Promoters' Shareholding (please specify, if there is no change):

Sl No.				No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Promoters	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	VINTEX TOOLS PRIVATE LIMITED	01-04-2017	58750	0.26	58750	0.32
	Date wise Increase / Decrease in Promoters Share holding during the year		07-04-2017	2000	0.01	60750	0.33
			10-04-2017	20000	0.11	80750	0.44
			11-04-2017	15000	0.08	95750	0.52
			12-04-2017	20000	0.11	115750	0.63
			18-04-2017	30000	0.16	145750	0.79
			19-04-2017	10000	0.05	155750	0.85
			21-04-2017	16000	0.09	171750	0.93
			25-04-2017	21100	0.11	192850	1.05
			26-04-2017	41400	0.23	234250	1.27
			28-04-2017	8000	0.04	242250	1.32

Sl No.				No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Promoters	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			03-05-2017	49000	0.27	291250	1.58
			23-05-2017	29000	0.16	320250	1.74
			26-05-2017	24940	0.14	345190	1.88
			31-05-2017	9000	0.05	354190	1.93
			01-06-2017	13310	0.07	367500	2.00
			12-06-2017	5000	0.03	372500	2.03
			13-06-2017	6000	0.03	378500	2.06
			14-06-2017	6500	0.04	385000	2.09
			16-06-2017	7200	0.04	392200	2.13
			19-06-2017	5300	0.03	397500	2.16
			14-03-2018	10194	0.06	407694	2.22
			15-03-2018	10000	0.05	417694	2.27
	At the End of the year		31-03-2018	0	0.00	417694	2.27
2	At the beginning of the year	SUNIL PATIDAR	01/04/17	1562200	8.50	1562200	8.50
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	1562200	8.50
3	At the beginning of the year	SEEMA PATIDAR	01/04/17	94000	0.51	94000	0.51
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	94000	0.51
4	At the beginning of the year	DINESH PATIDAR	01/04/17	3521488	19.16	3521488	19.16
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	3521488	19.16
5	At the beginning of the year	INDIRA PATIDAR	01/04/17	334000	1.82	334000	1.82
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	334000	1.82

Sl No.				No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Promoters	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
6	At the beginning of the year	GEETA PATIDAR	01/04/17	610800	3.32	610800	3.32
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	610800	3.32
7	At the beginning of the year	PALLAVI PATIDAR	01/04/17	341800	1.86	341800	1.86
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	341800	1.86
8	At the beginning of the year	ANKIT PATIDAR	01/04/17	1500000	8.16	1500000	8.16
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	1500000	8.16
9	At the beginning of the year	AISHWARYA PATIDAR	01/04/17	385400	2.10	385400	2.10
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	385400	2.10

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	M L SECURITIES AND FINANCE PVT LTD	01/04/17	1771829	9.64	1771829	9.64
	Date wise Increase / Decrease in Share holding during the year		07/04/2017	-42000	0.23	1729829	9.41
			14/04/2017	-38632	0.21	1691197	9.20
			21/04/2017	-48112	0.26	1643085	8.94
			28/04/2017	-62900	0.34	1580185	8.60
			05/05/2017	-57880	0.31	1522305	8.28
			26/05/2017	-35541	0.19	1486764	8.09
			02/06/2017	-17959	0.10	1468805	7.99
			09/06/2017	-48422	0.26	1420383	7.73
			16/06/2017	-37439	0.20	1382944	7.52
			30/06/2017	-16000	0.09	1366944	7.44
			07/07/2017	-32200	0.18	1334744	7.26
			14/07/2017	-12700	0.07	1322044	7.19
			04/08/2017	-15000	0.08	1307044	7.11
			25/08/2017	-335	0.00	1306709	7.11
			01/09/2017	-40665	0.22	1266044	6.89
			15/09/2017	-2000	0.01	1264044	6.88
			22/09/2017	-21000	0.11	1243044	6.76
			29/09/2017	-42158	0.23	1200886	6.53
			13/10/2017	-11395	0.06	1189491	6.47
			05/01/2018	-10000	0.05	1179491	6.42
			12/01/2018	-15075	0.08	1164416	6.34
			19/01/2018	-15000	0.08	1149416	6.25
			25/01/2018	-10000	0.05	1139416	6.20
			02/02/2018	-83200	0.45	1056216	5.75
			09/02/2018	-66545	0.36	989671	5.38
			16/03/2018	-45428	0.25	944243	5.14
			23/03/2018	-5249	0.03	938994	5.11
	At the End of the year		31/03/2018	0	0.00	938994	5.11

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
2	At the beginning of the year	AFHOLDINGS	01/04/17	1636363	8.90	1636363	8.90
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	1636363	8.90
3	At the beginning of the year	RAJAL SECURITIES PRIVATE LIMITED	01/04/17	463400	2.52	463400	2.52
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	463400	2.52
4	At the beginning of the year	VINAY SECURITIES PRIVATE LIMITED	01/04/17	363000	1.97	363000	1.97
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	363000	1.97
5	At the beginning of the year	SNEHAL BHUPENDRA SHAH	01/04/17	245000	1.33	245000	1.33
	Date wise Increase / Decrease in Share holding during the year		12/05/2017	25000	0.14	270000	1.47
			26/05/2017	70000	0.38	340000	1.85
			18/08/2017	15000	0.08	355000	1.93
			20/10/2017	-10000	0.05	345000	1.88
			27/10/2017	-5000	0.03	340000	1.85
			17/11/2017	10000	0.05	350000	1.90
			08/12/2017	10000	0.05	360000	1.96
	At the End of the year		31/03/2018	0	0.00	360000	1.96

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
6	At the beginning of the year	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANK	01/04/17	340000	1.85	340000	1.85
	Date wise Increase / Decrease in Share holding during the year		07/04/2017	-80000	0.44	260000	1.41
			21/04/2017	-60000	0.33	200000	1.09
			28/04/2017	-200000	1.09	0	0.00
	At the End of the year		31/03/2018	0	0.00	0	0.00
7	At the beginning of the year	VANTAGE EQUITY FUND	01/04/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		09/02/2018	87000	0.47	87000	0.47
			16/02/2018	13000	0.07	100000	0.54
			09/03/2018	20000	0.11	120000	0.65
			16/03/2018	30000	0.16	150000	0.82
			23/03/2018	45000	0.24	195000	1.06
			30/03/2018	20000	0.11	215000	1.17
	At the End of the year		31/03/2018	0	0.00	215000	1.17
8	At the beginning of the year	V E C STRATEGIC GROWTH FUND	01/04/17	169174	0.92	169174	0.92
	Date wise Increase / Decrease in Share holding during the year		08/09/2017	-100000	0.54	69174	0.38
			02/02/2018	-35000	0.19	34174	0.19
	At the End of the year		31/03/2018	0	0.00	34174	0.19
9	At the beginning of the year	VEC STRATEGIC AD VANTAGE SCHEME III	01/04/17	167502	0.91	167502	0.91
	Date wise Increase / Decrease in Share holding during the year		23/06/2017	-82502	0.45	85000	0.46
			30/06/2017	-42000	0.23	43000	0.23
			21/07/2017	-43000	0.23	0	0.00
	At the End of the year		31/03/2018	0	0.00	0	0.00

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
10	At the beginning of the year	MURALEEDHARAN KESAVAN	01/04/17	149000	0.81	149000	0.81
	Date wise Increase / Decrease in Share holding during the year		04/08/2017	-4000	0.02	145000	0.79
			29/09/2017	-4000	0.02	141000	0.77
			13/10/2017	-7679	0.04	133321	0.73
			27/10/2017	-5270	0.03	128051	0.70
			17/11/2017	10000	0.05	138051	0.75
			15/12/2017	6000	0.03	144051	0.78
			02/02/2018	-27500	0.15	116551	0.63
			23/02/2018	-6551	0.04	110000	0.60
	At the End of the year		31/03/2018	0	0.00	110000	0.60
11	At the beginning of the year	BHUPENDRA SHAH	01/04/17	60000	0.33	60000	0.33
	Date wise Increase / Decrease in Share holding during the year		12/05/2017	85000	0.46	145000	0.79
	At the End of the year		31/03/2018	0	0.00	145000	0.79
12	At the beginning of the year	POLARIS BANYAN HOLDING PRIVATE LIMITED	01/04/17	136342	0.74	136342	0.74
	Date wise Increase / Decrease in Share holding during the year		08/09/2017	-40000	0.22	96342	0.52
			22/09/2017	-20342	0.11	76000	0.41
	At the End of the year		31/03/2018	0	0.00	76000	0.41
13	At the beginning of the year	ABLAZE INFOTECH PRIVATE LIMITED	01/04/17	105600	0.57	105600	0.57
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	105600	0.57

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
14	At the beginning of the year	V E C STRATEGIC VALUE FUND	01/04/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		05/05/2017	67500	0.37	67500	0.37
			12/05/2017	9300	0.05	76800	0.42
			26/05/2017	6700	0.04	83500	0.45
	At the End of the year		31/03/2018	0	0.00	83500	0.45

v. Shareholding of Directors and Key Managerial Personel

S. No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	Dinesh Patidar	1/4/17	3521488	19.16	3521488	19.16
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0	3521488	19.16
2	At the beginning of the year	Sunil Patidar	1/4/17	1562200	8.5	1562200	8.5
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0	1562200	8.5
3	At the beginning of the year	Ramesh Patidar	1/4/17	76848	0.42	76848	0.42
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0	76848	0.42
4	At the beginning of the year	Navin S Patwa	1/4/17	1000	0.00	1000	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	1000	0.00
5	At the beginning of the year	S. S. Raghuvanshi	1/4/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	0	0.00

S. No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total shares of the Company	No. of shares	% of total shares of the Company
6	At the beginning of the year	Pramod Bhavsar	1/4/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		17/5/17	300	0.00	300	0.00
			19/5/17	-300	0.00	0	0.00
	At the end of the year		31/3/18	0	0.00	0	0.00
7	At the beginning of the year	Nishtha Neema	1/4/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	0	0.00
8	At the beginning of the year	Sridhar Narayan	1/4/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	0	0.00
9	At the beginning of the year	Akhilesh Maru	1/4/17	2	0.00	2	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	2	0.00
10	At the beginning of the year	Ravi Patidar	1/4/17	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/3/18	0	0.00	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2017-18				
i) Principal Amount	6820.55	1932.33	0.00	8752.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**6820.55**	**1932.33**	**0.00**	**8752.88**
Change in Indebtedness during the financial year				
Addition	2819.75	225.32	0.00	3045.07
Reduction	910.95	-	-	910.95
Net Change	**1908.80**	**225.32**	**0.00**	**2134.12**
Indebtedness at the end of the financial year 2017-18				
i) Principal Amount	8729.35	2157.65	0	10887.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**8729.35**	**2157.65**	**0.00**	**10887.00**

VI. REMUNERATION OF DIRECTOR AND KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particular of Remuneration	Mr. Dinesh Patidar, Managing Director	Mr. Sunil Patidar, Whole-time Director	Mr. Ramesh Patidar, Whole time Director	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,68,00,000	12,00,000	24,00,000	2,04,00,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	500000	500000
	- as % of profit	-	-	-	-
	- others, specify.	-	-	-	-
5	Others, Education Allowances		11,52,639	2,00,270	1352909
	Total	1,68,00,000	23,52,639	3100270	22252909
	Ceiling as per the Act	Rs. 4.31 Cr. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

1. Independent Directors: No remuneration was paid to independent directors

S. No.	Particular of Remuneration	Mr. S.S. Raghuvanshi	Mr. Navin Patwa	Mr. Pramod Kumar Bhavsar	Mrs. Nishtha Neema	Total
1	-Fee for attending Board/ Committee Meetings	60,000	80,000	20,000	1,00,000	2,60,000
2	-Commission	Nil	Nil	Nil	Nil	Nil
3	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total B.1	60,000	80,000	200000	1,00,000	2,60,000
	Ceiling as per the Act					

2. Other Non Executive Directors: No remuneration was paid to other Non Executive directors

S. No.	Particular of Remuneration	Amount in Rs.	Total
1	-Fee for attending Board/Committee Meetings	-	
2	-Commission	-	-
3	- Others, please specify	-	-
	Total B.2	-	-
	Total (B1+B2)	-	-
	Total Managerial Remuneration	-	-

C. Remuneration to key Managerial personnel other than MD/Manager/WTD:

S. No.	Particular of Remuneration	Mr. Ravi Patidar Company Secretary	Mr. Akhilesh Maru CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	7,60,800	22,39,356	30,00,156
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total C	7,60,800	22,39,356	30,00,156
	Ceiling as per the Act	Rs. 4.31 Cr. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
	Total Managerial Remuneration = (A+B+C)			
	Overall Ceiling as per the Act	Rs. 4.74 Cr. (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTOR	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.OTHER OFFICER IN DEFAULT	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

There were no penalties, punishments, compounding of offences for the year ended March 31, 2018.

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

Ravi Patidar
Company Secretary
M.No. A32328

ANNEXURE 'V'

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	
Conservation of Energy:-		
1	the steps taken or impact on conservation of energy;	Being an energy efficient product manufacturer we make energy efficient stainless steel pumps and motors. We offer energy efficient pumping systems for agriculture and offers energy savings over 40% compared to conventional pumping system. 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.
2	the steps taken by the Company for utilizing alternate sources of energy;	The company is constantly adopting solar as alternative source of energy and promoting solar pumps 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
3	the capital investment on energy conservation equipments	We have invested heavily on R&D and other renewable energy applications and equipments and the total investments could approx. Rs 2.15 Crores
Technology absorption:-		
(i)	the efforts made towards technology absorption	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. The extensive R&D in the field of solar pumping helps us to develop above said products and R&D resulted in filing several patents in this area.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	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.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	Yes
	(a) the details of technology imported	Power converters for converting solar energy into useful form
	(b) the year of import	2013 - till date
	(c) whether the technology been fully absorbed	Yes
	(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	Rs 4.98 crores
Foreign exchange earnings and Outgo:-		
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	Rs. 1,09,35,48,370.18
(ii)	The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 54,83,46,988.95

REPORT ON CORPORATE GOVERNANCE

"I believe that nothing can be greater than a business, however small it may be, that is governedby conscience; and that nothing can be meaner or pettier than a business, however large, governed without honesty and without brotherhood."

-William Hesketh Lever

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The principles of Corporate Governance are based on transparency accountability and focus on the sustainable success of the Company over the long-term. At Shakti Pumps (India) Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Shakti Pumps, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles ('CoBP') is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity.

The Board of Directors are responsible for and committed to sound principles of Corporate Governance in the Company. The Board of Directors plays a crucial role in overseeing how the Management serves the short and long-term interests of Members 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.

2.1 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 and the Chief Executive Officer 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.

2.2 Composition of Board:

The Board of Directors of the company comprises an optimum combination of Executive and non-Executive Directors, as required under regulation 17(1) (b)SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 During the year ended March 31, 2018, the Board of Directors of the Company consisted of 8 Eight) Directors out of which 3 (Three) Executive Director including Chairman, 4 (Four) Independent Directors including one woman Director and 1 (one) Nominee Director appointed by AFHoldings. 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.

2.3 Independent Directors:

As required under the provisions of Section 149 of the Companies Act, 2013, all independent directors have declared that they meet the criteria of independence.

Pursuant to schedule IV of Companies Act, 2013 every Director has been issued the letter of appointment containing the terms and conditions of his /her appointment.

None of the Independent Directors are serving as independent directors in more than seven listed Companies, nor are serving in more than three Listed Companies as whole time Directors.

2.4 Separate Meeting of Independent Directors:

i) In accordance with 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 29th, 2018, without the attendance of Non-Independent Directors and Members of the Management.

ii) The following Independent Directors were present at the Meeting Namely Mr. Navin Sunderlal Patwa, Mrs. Nishtha Neema, Mr. S. S. Raghuvanshi and Mr. Pramod Kumar Bhavsar.

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

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

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

2.5 No. of Directorship(s), Membership, and Chairman held by the Directors in the Board Committees of other Companies.

S. No	Name of Directors	Category of Directorship	No. of Board Meetings		Atten-dance at last AGM	No. of outside Directorship in Public Limited Held	No. of Committee position held in other Public Ld Companies	
			Held	Attended			Membership	Chairmanship
1	Mr. Dinesh Patidar	Executive	4	3	Yes	2	-	-
2	Mr. Sunil Patidar	Executive	4	4	Yes	1	-	-
3	Mr. Ramesh Patidar	Executive	4	2	Yes	-	-	-
4	Mr. Shyam Sunder Raghuvanshi	Independent	4	4	Yes	-	-	-
5	Mr. Navin Sunderlal Patwa	Independent	4	4	Yes	-	-	-
6	Mrs. Nishtha Neema	Independent	4	4	Yes	1	2	1
7	Mr. Pramod Kumar Bhavsar	Independent	4	2	No	1	-	-
8	Mr. Sridhar Narayan	Nominee	4	1	No	-	-	-

2.6 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 ended March 31, 2018, Four Board meetings were held on May 19, 2017, July 28, 2017; November 14, 2017, and January 29,2018. The maximum time gap between two consecutive meetings was not more than one hundred and twenty days.

The necessary quorum was present for all the meetings.

2.7 Appointments and Remunerations:

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 the Managing Director and

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, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

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.
- In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution..

3. BOARD COMMITTEES:

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

3.1 Audit Committee:

The terms of reference of 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 of them are Non-Executive, Independent Directors. All the concerned 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, the 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 the Statutory Auditor and Cost Auditors, fixation of the audit fees and fees for any other services rendered by them and if required, the replacement or removal of the Auditors.

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 & reasons for 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 Intercorporate Loans and Investments.

9) Valuation of Undertakings/Assets of the Company where 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 Declared 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 & look in to such matters as mandated SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

During the financial year ended March 31, 2018, 4 (Four meeting of the Audit Committee were held on May 19, 2017, July 28, 2017, November 14, 2017 and January 29, 2018.

S. No	Name	Category	Number of meetings during the year 2017-18.	
			Held	Attended
1	Mrs. Nishtha Neema	Independent Director	4	4
2	Mr. Shyam Sunder Raghuvanshi	Independent Director	4	4
3	Mr. Dinesh Patidar	Executive Director	4	3

3.2 Nomination and Remuneration Committee:

The Company has constituted Nomination and Remuneration Committee, as per the requirement of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee Comprises of 3 (Three) members namely, Mr. Navin Sunderlal Patwa, Mr. Shyam Sunder Raghuvanshi and Mrs. Nishtha Neema, all are Independent Directors. During the financial year ended March 31, 2018, (2) Two meetings were held during the year i.e. May 19,2017, July 28,2017, and the details of meetings held and attendance are as follows:-

S. No	Name	Category	Number of meetings during the year 2017-18.	
			Held	Attended
1	Mr. Navin Sunderlal Patwa	Independent Director	2	2
2	Mr. Shyam Sunder Raghuvanshi	Independent Director	2	2
3	Mrs. Nishtha Neema	Independent Director	2	2

Terms of Reference: -

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.

Details of Remuneration paid / payable to the Directors during the Financial Year 2017-18 are as follows:

(in Rs)

Name of Directors	Category of Directorship	Salary	Perquisites	Sitting fees
Mr. Dinesh Patidar	Executive	1,68,00,000	Nil	Nil
Mr. Sunil Patidar	Executive	12,00,000	11,52,639	Nil
Mr. Ramesh Patidar	Executive	29,00,000	2,00,270	Nil
Mr. Shyam Sunder Raghuvanshi	Independent	Nil	Nil	60,000
Mr. Navin Sunderlal Patwa	Independent	Nil	Nil	80,000
Mr. Sridhar Narayan	Nominee	Nil	Nil	Nil
Mrs. Nishtha Neema	Independent	Nil	Nil	1,00,000
Mr. Pramod Kumar Bhavsar	Independent	Nil	Nil	40,000

3.3 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/ remetarialization 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. Shyam Sunder Raghuvanshi, Mr. B. R. Patidar, and Mr. Akhilesh Maru. During the financial year ended March 31, 2018, 4 (Four) Meeting were held during the year i.e. May 19, 2017, July 28, 2017, November 14, 2017, and January 29, 2018 and the details are as follows:

S. No	Name	Category	Number of meetings during the year 2017-18.	
			Held	Attended
1	Mr. Shyam Sunder Raghuvanshi	Independent Director	4	4
2	Mr. Navin Sunderlal Patwa	Independent Director	4	4
3	Mr. B.R. Patidar	Member	4	4
4	Mr. Akhilesh Maru	CFO	4	4

Terms of Reference:

Terms of reference of committee broadly are 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.

3.4 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 to recommend to the Board a Corporate Social responsibility policy which shall indicate 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

4) Any other matter/thing as may be considered expedient.

Composition: -

The Committee Comprises of 3 (Three) Members namely Mr. Shyam Sunder Raghuvanshi, Mr. Navin Sunderlal Patwa, & Mrs. Nishtha Neema.

During the financial year ended March 31, 2018, 2 (two) Meetings were held during the year i.e. July 28th 2017 and January 29th 2018 the details are as follows:

S. No	Name	Category	Number of meetings during the year 2017-18.	
			Held	Attended
1	Mr. Shyam Sunder Raghuvanshi	Independent Director	2	2
2	Mr.s Nishtha Neema	Independent Director	2	2
3	Mr. Navin Sunderlal Patwa	Independent Director	2	2

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
2014-15	AGM	September 26, 2015	11.30 A.M	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)-454774.
2015-16	AGM	September 27, 2016	11.30 A.M	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)-454774.
2016-17	AGM	September 27, 2017	11.30 A.M	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)-454774.

Special resolutions passed in the last three years General Meetings:

20th Annual General Meeting held on September 26, 2015, Two Special Resolutions were passed as Special resolutions as mentioned hereunder: -

i) Ratify the disclosure as per the Regulation 73 (1) (e) of chapter VII of SEBI (ICDR) Regulations 2009 and as insisted by BSE to identity of the natural persons who are the ultimate beneficial owner of the shares in the matter of allotment of 15,00,000 CCPS to AFHoldings.

ii) Reappointment of Mr. Dinesh Patidar as Managing Director for a period of Three Years from 1st September 2015 to 31st August 2018.

21st Annual General Meeting held on September 26, 2016, Three Special Resolutions were passed as Special resolutions as mentioned hereunder:

i) Re-appointment of Mr. Sunil Patidar as Whole-time Director for the further period of five Years from January 29, 2016 till January 28, 2021.

ii) Waiver of Excess remuneration of Rs. 48 Lacs to Mr. Dinesh Patidar Managing Director.

iii) Change in relevant date from 20.09.2014 to 19.09.2014 for the purpose of calculation of price as per the provision of Securities Exchange Board of India (ICDR) Regulations, 2009 relevant date should not be on holiday.

22nd Annual General Meeting held on September 27, 2017, Four Special Resolution was passed as Special resolutions as mentioned hereunder:-

i) Re-appointment of Mr. Ramesh Patidar (DIN: 00931437) as the Whole Time Director of the Company for a period of 5 (Five) consecutive years, commencing from 17th October 2016 till 16th October 2021.

ii) Re-appointment of Mr. Shyam Sunder Raghuvanshi (DIN: 02285727) as an Independent Director of the Company for a period of 3 (Three) consecutive years, commencing from 30th July 2017 to 29th July 2020.

iii) Re-appointment of Mr. Dinesh Patidar (DIN: -00549552) as the Chairman & Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 1st September, 2015 till 31st August, 2018.

iv) Approval for Related Party Transactions

1 Postal ballot:

No resolution requiring postal ballot as recommended under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.was placed for shareholder's approval at the meeting.

2 Subsidiary Companies:

S. No	Name of Company	Relation
01	Shakti Pumps USA, LLC	Wholly Owned Subsidiary
02	Shakti Pumps FZE, UAE	Wholly Owned Subsidiary
03	Shakti Pumps Pty Ltd., Australia	Wholly Owned Subsidiary
04	Shakti Pumps (Shanghai) Limited, China	Wholly Owned Subsidiary
05	Shakti Energy Solutions Private Limited	Wholly Owned Subsidiary

3 Policy on dealing with Related Party Transactions:

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the weblink: https://www.shaktipumps.com/corporate-governance.php

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 the 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 in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

4 Disclosures:

4.1 Disclosure on materially related party transactions:

All transaction entered into with related Parties as defined under Companies Act, 2013and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of Business and at arm's 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.

4.2 Disclosure on accounting treatments:

In the Preparation of financial statements, the company has followed the Accounting Standards 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.

4.3 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.

4.4 Details of non-compliances by the company penalties, strictures imposed on the Company by stock exchanges, SEBI, or 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 Depositary 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 2017-18 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.

4.5 Vigil Mechanism/ Whistle Blower Policy:

In Compliance with the provision of Section 177 (9) of the Companies Act, 2015 and regulation 4 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 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.

4.6 Policy regarding Material subsidiaries:

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

5 Prevention 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) Regulation, 2015. The same has been displayed in the Company's website (www.shaktipumps.com)

6 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.

7 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.

(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 contains a separate dedicated section 'Financial' where shareholders information is available. The Annual Report is also available on the website in a user-friendly and downloadable form.

(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.

8 General Shareholders Information:

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

Day : Thursday
Date : September 27, 2018
Time : 12:30 P.M.
Venue: Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

8.2 Financial Calendar 2018-19

Financial Reporting for the Quarter ending June 30 2018:-
On or before August 15, 2018.

Financial Reporting for the Quarter ending September 30, 2018:-
On or before November 15, 2018.

Financial Reporting for the Quarter ending December 31, 2018:-
On or before February 15, 2019.

Financial Reporting for the Quarter ending March 31, 2019:-
On or before May 30, 2019.

8.3 Dividend:

A dividend at the rate of 37% i.e. Rs. 3.7/- per Equity Share is recommended by the Board of Directors at their Meeting held on May 15, 2018 which is subject to the approval at the ensuing Annual General Meeting, and if approved will be payable on or after September 27, 2018 but within the Statutory time limit of 30 days.

8.4 Book Closure Date:

From Thursday, September 20, 2018, to Thursday September 27, 2018, (both days inclusive) for the purpose of Annual General Meeting and Declaration of Dividend.

8.5 Unclaimed Dividend:

During the year, dividend amounting to 1,57,056/- that had not been claimed by the shareholders for the year ended March 31, 2010 was transferred to the credit of Investor Education and Protection Fund as required under section 124(5) & (6) of the Companies Act 2013.

The Company will be transferring the unclaimed dividend for the Year ended March 31, 2011, in October 2018.

All shareholders who have not so far encashed the dividend for the said period are requested to lodge their claims before 30th September 2018.

8.6 Listing on the Stock Exchanges:

Company's equity shares are listed on the following stock exchanges. The annual listing fee for the year 2017-18 have been paid to both these stock exchanges.

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

8.7 ISIN Code: INE908D01010.

8.8 Custodial fee:

The Company has paid the custodial fee to the NSDL and CDSL for the Financial Year 2017-18.

8.9 Corporate Identification Number (CIN):

L29120MP1995PLC009327.

8.10 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 17	261.15	210.10	11,93,614
May 17	425.45	243.05	49,05,198
Jun 17	483.75	377.00	31,71,860
Jul 17	539.10	456.25	23,98,560
Aug 17	548.00	429.85	18,52,388
Sep 17	556.85	452.00	8,82,931
Oct 17	543.90	465.50	5,97,520
Nov 17	488.00	414.10	5,67,656
Dec 17	469.00	408.65	3,98,299
Jan 18	580.00	445.70	14,82,906
Feb 18	614.65	479.30	10,14,284
Mar 18	574.95	514.05	1,80,999

b) National Stock Exchange of India Ltd.

Month	Highest	Lowest	Total No. of Shares traded
Apr 17	260.90	212.00	53,53,071
May 17	425.80	242.50	2,14,37,868
Jun 17	484.20	376.30	1,55,62,828
Jul 17	539.00	456.00	1,06,45,796
Aug 17	547.00	429.60	82,48,159
Sep 17	557.00	451.80	41,18,834
Oct 17	543.20	465.00	40,26,438
Nov 17	488.00	405.00	31,97,263
Dec 17	470.00	408.45	31,58,290
Jan 18	582.00	445.65	70,65,276
Feb 18	614.00	479.55	46,79,851
Mar 18	575.00	513.00	11,06,929

8.11 Registrar and Transfer agent:

ADROIT CORPORATE SERVICES PVT.LTD.
17-20, Jafferbhoy Industrial Estate,1st Floor, Makwana Road,
Marol, Andheri(E), Mumbai-400059 (MH.), India
Phone No:-(022) 28594060, 28596060 Fax No.- (022) 28503748
Email-prafuls@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 15 days from the date of receipt.

8.12 Shareholding as on March 31, 2018:

A. Distribution of Shareholding as on March 31, 2018.

Range of equity shares held	No. of Share holders	%	Number of Shares	Face Value per equity shares (in Rs.)	% of Share holding
Up to-100	11570	71.94	447374	4473740	2.43
101-500	2962	18.42	737511	7375110	4.01
501-1,000	579	3.60	470553	4705530	2.56
1001-2000	569	3.54	774519	7745190	4.21
2001-3000	137	0.85	336317	3363170	1.83
3001-4000	64	0.40	229546	2295460	1.25
4001-5000	44	0.27	201283	2012830	1.10
5001-10000	68	0.42	471558	4715580	2.57
10001-20000	42	0.26	560021	5600210	3.05
20001-50000	15	0.09	490649	4906490	2.67
50000 and Above	32	0.20	13660825	136608250	74.32
Total	16082	100.00	18380156	183801560	100.00

B. Categories of Shareholding as on March 31, 2018.

S. No	Category	No. of Shares holders	% of Share holders	No. of Shares	% of Share holding
1	Resident Individuals	15094	93.85	4480783	24.38
2	Non Resident Indians (Individuals)	453	2.82	300489	1.63
3	Corporate Bodies	410	2.55	3019126	16.43
4	Mutual funds	1	0.01	14000	0.08
5	Banks	1	0.01	765	0.00
6	Directors	3	0.02	5083688	27.66
7	Directors Relatives	9	0.11	3266000	17.77
8	Financial Institutions	1	0.01	78993	0.43
9	Trust	11	0.07	138695	0.75
10	Clearing Member	86	0.53	25412	0.14
11	Corporate Body (Broker)	6	0.04	5133	0.03
12	Foreign Corporate Bodies	1	0.01	1636363	8.90
13	Investor Education and Protection Fund	1	0.01	16520	0.09
14	Foreign portfolio Investor	3	0.02	44544	0.24
15	Alternate Investment Fund	2	0.01	269645	1.47
	Total	16082	100.00	18380156	100.00

C. Dematerialization of Shares March 31, 2018.

S.No	Mode of Holding	No. of Shareholders	No. of Shares	% age
1	NSDL	6931	4369968	23.78
2	CDSL	9111	13924280	75.75
3	Physical	40	85908	0.47
Total		16082	18380156	100

99.53% of the Company's Paid-up Equity Share Capital is dematerialized as on 31st March, 2018. Trading in Equity Shares of the Company is permitted only in dematerialized form.

8.13 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

8.14 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

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: 15.05.2018

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, 2018 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 accounting standards, 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 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

Akhilesh Maru
Chief Financial Officer

DECLARATION 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, 2018, as envisaged under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Date:15.05.2018
Place: Pithampur

Dinesh Patidar
Managing Director
(DIN:-00549552)

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE TO THE MEMBERS OF SHAKTI PUMPS (INDIA)LIMITED

We have examined the compliance of conditions of Corporate Governance of M/s SHAKTI PUMPS (INDIA) LIMITED ("the Company"), for the year ended on 31st March, 2018 as stipulated in as per the relevant provision of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as referred to in regulation 15 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of corporate governance is the responsibility of the management.

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Modi Manoj & Co.
Chartered Accountants
(FRN: 030165N)

Date:15.05.2018
Place: Pithampur

Manoj Modi
(Proprietor)
M. No.: 524225

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Standalone Indian Accounting Standards ('Ind AS') Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Shakti Pumps (India) Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authority's pronouncements issued by Institute of Chartered Accountants of India (ICAI). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 B'; and

   g) 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 Ind AS financial statements- Refer Note 28 to the standalone Ind AS 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 – Refer Note 38 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

(Manoj Modi)
Proprietor
Membership Number: 524225

Place: Mumbai
Date: 15 May 2018

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS

The Annexure-A referred to in the Independent Auditors' Report of even date to the Members of Shakti Pumps (India) Limited ('the Company') on the Ind AS financial statements for the year ended 31 March 2018, we report that: In respect of its fixed Assets:

i. In respect of its Fixed Assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in respect of all its locations on the basis of available information.

   b. As explained to us, all the fixed Assets have been physically verified during the year by the management in accordance with a regular programme of verification of the fixed assets at reasonable intervals which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

   c. As per the records and information and explanation given to us, title deeds of immovable properties are in the name of the Company.

ii. In respect of its inventories:

   a. The inventory (excluding stocks with third parties) has been physically verified by the management during the year at reasonable interval. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

   c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, GST, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows.

Name of Statute	Nature of Dues	Amount Involved (Rs. In Lacs)	Unpaid (Rs. In Lacs)	Period to which the amount relates (FY)	Forum where dispute is pending
The Central Excise Act , 1944	Excise Duty	47.70	47.70	2005-06	Appellate Tribunal Central Excise, New Delhi
Commercial Tax	VAT & Entry Tax	70.44	70.44	2010-11	M.P. High Court, Indore Bench
Commercial Tax	VAT & CST	6.16	2.45	2010-11	M.P. Commercial Tax Appellate Board, Bhopal
Commercial Tax	VAT & CST	12.07	3.27	2012-13	M.P. Commercial Tax Appellate Board, Bhopal
Commercial Tax	CST & Entry Tax	11.39	Nil	2013-14	M.P. Commercial Tax Appellate Board, Bhopal
Commercial Tax	CST	9.99	7.49	2014-15	Appellate Authority, Commercial Tax, Indore
Commercial Tax	VAT & CST	42.29	31.59	2015-16	Appellate Authority, Commercial Tax, Indore
Income Tax Act, 1961	Income Tax	1,475.85	1,180.68	2009-10 to 2011-12	CIT, Appeal, Indore

viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.

ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

(Manoj Modi)
Proprietor
Membership Number: 524225

Place: Mumbai
Date: 15 May 2018

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS

The Annexure B referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the Ind AS financial statements for the year ended 31 March 2018.

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 2018 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 Company's Management 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 ('ICAI'). 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 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 Act.

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.

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 2018, 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 Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

(Manoj Modi)
Proprietor
Membership Number: 524225

Place: Mumbai
Date: 15 May 2018

SHAKTI PUMPS (INDIA) LTD.
BALANCE SHEET AS AT MARCH 31, 2018

(Rs. In Lacs)

Particulars			Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I		ASSETS				
	1	**Non-current assets**				
		(a) Property, plant and equipment	3	11,808.84	12,092.89	11,009.21
		(b) Capital work-in-progress	3	2.02	-	820.14
		(c) Other Intangible assets	4	58.82	27.15	-
		(d) Financial assets	5			
		(i) Investments	5.1	1,018.93	204.80	62.71
		(ii) Loans	5.2	-	811.92	1,005.83
		(iii) Other financial assets	5.3	-	319.65	328.29
		(e) Non-current tax assets (net)	6	333.88	331.62	342.10
		(f) Other non-current assets	7	410.91	160.39	2,558.46
		Total current assets		**13,633.40**	**13,948.42**	**16,126.74**
	2	**Current assets**				
		(a) Inventories	8	9,988.14	8,534.36	8,405.12
		(b) Financial assets	9			
		(i) Trade receivables	9.1	15,180.04	15,605.08	9,424.36
		(ii) Cash and cash equivalents	9.2	766.95	119.91	40.87
		(iii) Bank balance other than above	9.3	1,241.03	919.05	584.83
		(iv) Loans	9.4	221.81	435.12	410.62
		(v) Other financial assets	9.5	701.75	468.10	502.13
		(c) Other current assets	10	3,132.52	1,734.31	1,477.13
		Total current assets		**31,232.24**	**27,815.93**	**20,845.05**
		Total assets		**44,865.64**	**41,764.35**	**36,971.79**
II		EQUITY AND LIABILITIES				
		Equity				
		(a) Equity share capital	11	1,838.02	1,838.02	3,174.38
		(b) Other equity	12	23,063.95	20,774.36	17,645.00
		Total equity		24,901.97	22,612.38	20,819.38
		Liabilities				
	1	**Non-current liabilities**				
		(a) Financial liabilities	13			
		(i) Borrowings	13.1	1,320.00	560.00	464.90
		(b) Provisions	14	387.43	387.21	131.92
		(c) Deferred tax liabilities (Net)	15	998.64	844.14	697.09
		Total non-current liabilities		**2,706.07**	**1,791.35**	**1,293.91**

SHAKTI PUMPS (INDIA) LTD.
BALANCE SHEET AS AT MARCH 31, 2018

(Rs. In Lacs)

Particulars			Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	2	**Current liabilities**				
		(a) Financial liabilities	16			
		(i) Borrowings	16.1	9,127.01	7,581.93	8,239.19
		(ii) Trade payables	16.2	4,858.24	5,810.56	2,677.21
		(iii) Other financial liabilities	16.3	2,270.02	2,347.62	2,902.10
		(b) Provisions	17	10.91	8.93	-
		(c) Other current liabilities	18	740.83	1,366.82	1,040.00
		(d) Current Tax Liabilities (Net)	19	250.61	244.77	-
		Total current liabilities		**17,257.60**	**17,360.62**	**14,858.50**
		Total equity and liabilities		**44,865.64**	**41,764.35**	**36,971.79**
	Company Overview, Basis of preperation and Significant Accounting Policies		1 to 2			
	The accompanying notes are an integral part of the financial statements.		3 to 40			

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Rs. In Lacs)

Particulars		Note No.	2017-18	2016-17
I	Revenue from Operations	20	41,314.06	40,939.38
II	Other Income	21	287.46	185.48
III	**Total Revenue (I+II)**		**41,601.52**	**41,124.86**
IV	**Expenses**			
	Cost of materials consumed	22	23,362.91	22,509.26
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	53.91	312.61
	Employee benefits expense	24	4,317.57	4,004.61
	Finance costs	25	1,359.06	1,604.12
	Depreciation and amortisation expense	3 & 4	1,394.72	1,279.80
	Other expenses	26	6,690.90	8,200.20
	Total Expenses (IV)		**37,179.07**	**37,910.60**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		4,422.46	3,214.27
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before tax (V-VI)**		**4,422.46**	**3,214.27**
VIII	Tax expense:			
	(1) Current tax		1,556.89	908.09
	(2) Deferred tax		154.51	123.62
IX	**Profit/(loss) for the period (VII-VIII)**		**2,711.05**	**2,182.56**
X	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or (loss)		5.82	(136.52)
	(ii) Income tax on above		(2.01)	47.25
(B)	(i) Items that will be reclassified to profit or (loss)		103.54	47.03
	(ii) Income tax on above		(29.85)	(16.28)
	Total Comprehensive Income for the year (X)		**77.49**	**(58.52)**
	Total Comprehensive Income /(loss) for the year (IX+X)		**2,788.54**	**2,124.04**
XI	Earnings per equity share of Rs. 10 each			
	(1) Basic/Diluted	29	14.75	11.87

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
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Dinesh Patidar
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Ramesh Patidar
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(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit & loss before tax as per profit & Loss Account		**4,422.46**		**3,214.27**
	Adjusted For :				
	Depreciation Exp.	1,394.72		1,279.80	
	Misc.Exp. Written off.	-		2,393.93	
	Interest Income	(174.23)		(176.06)	
	Interest Paid	1,034.73		1,222.23	
	Re-measurement (gains) / loss on defined benefit plans	5.82		(136.52)	
	Unrealised exchange (gain) / loss (net)	103.54		47.03	
	Profit /Loss on sale of property, plant and equipment (net)	(2.35)		9.18	
			2,362.23		4,639.59
	Operating Profit Before Working Capital Changes.		**6,784.68**		**7,853.86**
	Adjusted For :				
	(Increase)/Decrease in Trade & Other Receivables	744.68		(6,172.08)	
	(Increase)/Decrease in Inventories	(1,453.78)		(129.24)	
	(Increase)/Decrease in Trade & Other Payables	(2,318.71)		4,280.48	
			(3,027.81)		(2,020.84)
	Net Cash Flow From Operating Activities		**3,756.87**		**5,833.02**
	Income taxes (paid)/refund (net)	(1,641.69)		(594.56)	
			(1,641.69)		(594.56)
	Net cash generated from in operating activities (A)		**2,115.18**		**5,238.46**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment	(1,117.48)		(1,564.52)	
	Purchase of intangible assets	(34.34)		(27.15)	
	Movement in Advance for Capital Goods	11.03		10.13	
	Capital work-in-progress	(2.03)		-	
	Sale of Fixed Assets	11.83		12.00	
	Investment in subsidiaries	(814.13)		(142.09)	
	Interest Received	155.16		168.08	
	Deposit Account with Banks	(321.97)		(334.23)	
	Net Cash Used in Investing Activities (B)		**(2,111.93)**		**(1,877.77)**

SHAKTI PUMPS (INDIA) LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long term borrowings	1,500.00		700.00	
	Repayment of Long term borrowings	(924.12)		(1,496.41)	
	Short term borrowings (NET)	1,545.08		(657.26)	
	Dividend Paid (Inc. DDT)	(442.44)		(605.74)	
	Interest on Term Loans & Others Paid	(1,034.73)		(1,222.23)	
	Net Cash Used in Financing Activities (C)		**643.79**		**(3,281.64)**
	Net Change in Cash & Cash Equivalents (A+B+C)		647.04		79.05
	Cash & Cash Equivalents at the beginning of the year		119.91		40.87
	Cash & Cash Equivalents at the end of the year		**766.95**		**119.91**

Note:
1. Figures in Brackets represent Cash Outflow
2. Cash and cash equivalents comprise of :

(Rs. In Lacs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Cash on hand	1.54	3.89
Balance with banks	765.41	116.02
Total	**766.95**	**119.91**

The accompanying notes are an integral part of the financial statements.

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LTD.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity Share Capital:

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares of Rs. 10/- each			
Balance at the beginning of the year	1,838.02	1,674.38	1,674.38
Add : Shares issued during the year	-	163.64	-
Balance at the end of the year	**1,838.02**	**1,838.02**	**1,674.38**
15 % Compulsory Convertible Preference Shares of Rs.100/- each			
Balance at the beginning of the year	-	1,500.00	1,500.00
Less : Conversion of preference shares into equity shares during the year	-	(1,500.00)	-
Balance at the end of the year	**-**	**-**	**1,500.00**

b. Other Equity :

(Rs. In Lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Total Equity
	Surplus in P/L Statement	General Reserve			
Restated balance as at April 01, 2016	**102.81**	**10,060.16**	**20.58**	**7,461.45**	**17,645.00**
Profit for the year	2,182.56	-	-	-	2,182.56
Other Comprehensive Income (Net of Taxes)	(58.52)	-	-	-	(58.52)
Dividend paid including tax thereon	(83.77)	(251.16)	-	-	(251.16)
Excess/(Short) Provision of Income Tax	3.89	-	-	-	3.89
Premium on Conversion of Compulsory Convertible Pref. Shares into Equity Shares	-	-	-	1,336.36	1,336.36
Balance as at 31st March 2017	**2,146.97**	**9,809.00**	**20.58**	**8,797.82**	**20,774.36**
Income tax Excess/ short provision	-	(56.51)	-	-	(56.51)
Dividend paid including tax thereon	(442.44)	-	-	-	(442.44)
Profit for the year	2,711.05	-	-	-	2,711.05
Other Comprehensive Income (Net of Taxes)	77.49	-	-	-	77.49
Balance as at 31st March 2018	**4,493.07**	**9,752.49**	**20.58**	**8,797.82**	**23,063.96**

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SIGNIFICANT ACCOUNTING POLICIES & NOTES

Notes to the financial statements for the year ended 31 March 2018

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:

2.1 Statement of Compliance

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 Preparation

These financial statements have been prepared in accordance with Ind AS 101, "First Time Adoption of Ind AS", as these are the Company's first Ind AS compliant financial statements for the year ended 31st March, 2018.

The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements). The transition to Ind AS has been carried out from the accounting principles generally accepted in India (Indian GAAP), which is considered as the "Previous GAAP", for purposes of Ind AS - 1.

The preparation of these financial statements resulted in changes to the Company's accounting policies as compared to the most recent annual financial statements prepared under Previous GAAP, wherever necessary. All accounting policies and applicable Ind AS have been applied consistently and retrospectively to all periods , including the previous financial year presented and the Ind AS opening balance sheet as at 1st April, 2016 (Transition Date). The resulting difference between the carrying amounts under Ind AS and Previous GAAP as on the Transition Date has been recognised directly in Retained Earnings. An explanation of the effect of the transition from Previous GAAP to Ind AS on the Company's equity and profit is provided in Note No. 39.

In preparing these financial statements, the Company has availed certain exemptions and exceptions from retrospective application of certain requirements under Ind AS, as explained below:

a) Exemptions from retrospective application:

- Deemed cost of property, plant and equipment: The Company has opted to continue with the carrying value for all of its property, plant and equipment as recoginsed in the previous GAAP financial statements as their deemed cost at the transition date to Ind AS (i.e. 1st April, 2016).

- Investment in equity shares of subsidiaries and associates: On the transition date, the Company has opted to carry investments in Equity shares of subsidiaries and associates at their deemed cost, i.e. previous GAAP carrying amount.

2.3 Basis of Measurement

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS.

2.4 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.

SIGNIFICANT ACCOUNTING POLICIES:

2.5 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.

Useful life of Assets as below :

Particulars	Useful life
Office Building	60 Years
Factory Building	30 Years
Plant and Machinery	15 Years
Equipment	10 Years
Tools /Dies	8 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Computer	6 Years
Software	3 Years

2.6 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.

2.7 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 of the year.

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.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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 expensed in the period in which they are incurred.

2.10 Current-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.

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 that 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 accounted for on cash basis.

2.13 Income tax

Income tax expense comprises current tax and deferred tax charge or credit. 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) or directly in equity.

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 asset 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.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.14 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of Profit and Loss.

2.15 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.

2.16 Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership have been passed on to buyer. Revenue is measured at the fair value of the consideration received or receivable, including Excise Duty, but net of returns, allowances, trade discounts and volume discounts and sales tax / VAT etc.

2.17 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.

2.18 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

2.19 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.

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lacs)

Particulars	Free hold Land	Buildings	Plant and Machinery	Die and Tools	Comp-uters	Furniture and Fixtures	Vehicles	Office Equip -ments	Total	Capital work-in-progress
Gross Block:										
Deemed cost as at April 01, 2016	178.38	2,283.82	6,530.82	6,102.66	423.85	444.92	192.02	280.46	16,436.94	820.14
Additions	-	948.14	414.45	860.88	88.07	32.13	1.24	39.56	2,384.48	-
Disposals/Adjustments	-	-	0.98	-	-	0.62	35.36	3.78	40.74	820.14
As at March 31, 2017	**178.38**	**3,231.97**	**6,944.29**	**6,963.54**	**511.92**	**476.42**	**157.90**	**316.24**	**18,780.67**	**-**
Additions	-	141.43	251.31	592.01	48.44	31.00	0.74	52.55	1,117.48	2.02
Disposals/Adjustments	-	2.75	0.11	5.43	0.52	-	-	1.31	10.12	-
As at March 31, 2018	**178.38**	**3,370.64**	**7,195.50**	**7,550.12**	**559.85**	**507.42**	**158.65**	**367.48**	**19,888.04**	**2.02**
Accumulated Depreciation										
As at April 01, 2016	-	392.43	1,842.19	2,635.56	233.79	177.95	51.68	94.13	5,427.73	-
Charge for the Year	-	68.44	426.66	640.17	59.83	40.82	16.51	27.20	1,279.62	-
Disposals/Adjustments	-	-	0.25	-	-	0.14	17.04	2.13	19.56	-
As at March 31, 2017	-	460.87	2,268.60	3,275.72	293.62	218.64	51.15	119.19	6,687.78	-
Charge for the Year	-	84.32	442.41	716.11	64.12	40.23	15.02	29.84	1,392.04	-
Disposals/Adjustments	-	0.13	0.02	0.05	0.28	-	-	0.16	0.64	-
As at March 31, 2018	**-**	**545.05**	**2,710.99**	**3,991.79**	**357.46**	**258.87**	**66.17**	**148.87**	**8,079.19**	**-**
Net Block :										
As at April 01, 2016	**178.38**	**1,891.39**	**4,688.64**	**3,467.10**	**190.07**	**266.96**	**140.34**	**186.34**	**11,009.21**	**820.14**
As at March 31, 2017	**178.38**	**2,771.10**	**4,675.69**	**3,687.82**	**218.31**	**257.79**	**106.75**	**197.05**	**12,092.89**	**-**
As at March 31, 2018	**178.38**	**2,825.59**	**4,484.51**	**3,558.33**	**202.39**	**248.55**	**92.47**	**218.61**	**11,808.84**	**2.02**

Note: Capital work-in-progress as at March 31, 2018 includes assets under construction at various plant.

4 OTHER INTANGIBLE ASSETS

(Rs. In Lacs)

Particulars	Computers Software
Gross Block	
Deemed cost as at April 01, 2016	-
Additions	27.33
Disposals/Adjustments	-
As at March 31, 2017	**27.33**
Additions	34.34
Disposals/Adjustments	-
As at March 31, 2018	**61.68**
Accumulated Depreciation	
As at April 01, 2016	-
Charge for the Year	0.18
Disposals/Adjustments	-
As at March 31, 2017	**0.18**
Charge for the Year	2.68
Disposals/Adjustments	-
As at March 31, 2018	**2.86**
Net Block	
As at April 01, 2016	**-**
As at March 31, 2017	**27.15**
As at March 31, 2018	**58.82**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

5 NON CURRENT FINANCIAL ASSETS

5.1 Investments (At Cost) (Unquoted Fully paid-up unless otherwise stated)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in Subsidiaries : (i) Equity Instrument of Subsidiaries	1,018.91	204.78	62.69
Investments in Others : (ii) Equity Instrument of others (in Cosmos Bank)	0.02	0.02	0.02
Total	**1,018.93**	**204.80**	**62.71**

5.1.1 Equity Instrument of Subsidiaries

(Rs. In Lacs)

Equity Instrument of Subsidiaries	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6 Shares of Shakti Pumps FZE (AED 1,50,000 each) (As at 31 March 2017, 6 shares) (As at 1st April 2016, 1 shares)	156.56	156.56	22.06
65,000 Shares of Shakti Pumps USA LLC (USD 1 each) (As at 31 March 2017, 65,000 shares) (As at 1st April 2016, 65,000 shares)	33.32	33.32	33.32
2,40,000 Shares, of Shakti Pumps Pty Ltd. (AUD 1 each) (As at 31st March 2017, 30,000 shares) (As at 1st April 2016, 15,000 shares)	117.82	14.90	7.31
8,81,144 Shares of Shakti Energy Solution Pvt. Ltd (Rs. 10 each)	711.21	-	-
Total	**1,018.91**	**204.78**	**62.69**

Note: The Company's investments in direct subsidiaries are 100% in all the three years.

5.2 Loans and Advances (at amortised cost)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to related parties	-	811.92	1,005.83
- Vintex Tools Private Limited			
Total	**-**	**811.92**	**1,005.83**

5.3 Other Financial Assets

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables (More than 365 Days)	-	319.65	328.29
Total	**-**	**319.65**	**328.29**

6 NON-CURRENT ASSETS

Non-current tax assets (net)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income-tax (net of provisions)	333.88	331.62	342.10
Total	**333.88**	**331.62**	**342.10**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

7 OTHER NON-CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good)			
(i) Miscellaneous Expenditure	-	33.62	2,427.56
(ii) Income Tax refundable	402.21	107.04	101.04
(iii) Advance for Capital Goods	8.70	19.73	29.86
Total	**410.91**	**160.39**	**2,558.46**

8 CURRENT ASSETS

Inventories

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Raw Material	4,396.51	2,878.50	2,464.77
(ii) Work In Process	2,222.79	2,485.51	2,982.84
(iii) Finished Goods	3,168.53	2,959.71	2,774.99
(iv) Packing Material & Consumables	200.32	210.64	182.51
Total	**9,988.14**	**8,534.36**	**8,405.12**

Notes:

1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 16.1(b)}
2 Valued at lower of cost and Net Realisable value unless otherwise stated (Refer accounting policies 2.6)

9 CURRENT FINANCIAL ASSETS

9.1 Trade receivables

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
Trade receivables	15,180.04	15,605.08	9,424.36
Less: Allowance for credit losses	-	-	-
Total	**15,180.04**	**15,605.08**	**9,424.36**

Notes:

1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 16.1(b)}
2 Related party transactions & balance {Refer note no. 37}

9.2 Cash and cash equivalents

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Cash on hand	1.54	3.89	7.78
(ii) Balance with scheduled banks :			
In current accounts	38.63	40.63	33.09
Fixed Deposit with maturity less than 3 months	726.78	75.39	-
Total	**766.95**	**119.91**	**40.87**

9.3 Other bank balances

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) In fixed deposit accounts*	1,220.82	899.86	566.93
(ii) Unclaimed Dividend**	20.20	19.20	17.90
Total	**1,241.03**	**919.05**	**584.83**

Notes:

1 *Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

2 **The Company can utilise the balance towards settlement of unclaimed dividend.

9.4 Loans

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Advance for Salary & tour	58.47	67.07	107.37
(ii) Advance for Raw Material	163.34	368.05	303.25
Total	**221.81**	**435.12**	**410.62**

9.5 Others Financial Assets

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Security Deposits	674.69	460.12	502.13
(ii) Interest receivable on fixed deposits with bank	27.05	7.98	-
Total	**701.75**	**468.10**	**502.13**

10 OTHER CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Prepaid Expenses	144.20	47.11	70.43
(ii) Balances with Government Authorities	2,988.32	1,687.20	1,406.70
Total	**3,132.52**	**1,734.31**	**1,477.13**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

11 SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised :						
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	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	15,00,000	1,500.00
Total	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**
Issued & Subscribed :						
Equity shares of Rs. 10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04	1,69,23,993	1,692.40
15 % Compulsory Convertible Preference Shares of Rs. 100/- each	-	-	-	-	15,00,000	1,500.00
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**	**1,84,23,993**	**3,192.40**
Paid Up Capital :						
Equity Shares of Rs. 10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02	1,67,43,793	1,674.38
15 % Compulsory Convertible Preference Shares of Rs. 100/- each	-	-	-	-	15,00,000	1,500.00
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**	**1,82,43,793**	**3,174.38**

11.1 Terms/rights attached to the equity shares :

(i) The Company has only one class of equity shares having a par value of Rs. 10/- per share.
(ii) 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.

11.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

11.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

(i) Equity Shares :

(Rs. In Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,67,43,793	1,674.38	1,67,43,793	1,674.38
Add: Additional equity shares issued during the year	-	-	16,36,363	163.64	-	-
Less: Equity shares forfeited/Bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**	**1,67,43,793**	**1,674.38**

(ii) 15 % Compulsory Convertible Preference Shares : (Rs. In Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	-	-	15,00,000	1,500.00	15,00,000	1,500.00
Add: Additional preference shares issued during the year	-	-		-	-	-
Less: Redemption of preference shares during the year	-	-	15,00,000	1,500.00	-	-
Balance as at the end of the year	**-**	**-**	**-**	**-**	**15,00,000**	**1,500.00**

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

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	35,21,488	19.16%	35,21,488	19.16%	35,21,488	21.03%
Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%	15,62,200	9.33%
Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%	15,00,000	8.96%
M.L.Securities & Finance Pvt.Ltd	9,38,994	5.11%	17,71,829	9.64%	18,37,383	10.97%
AF Holdings	16,36,363	8.90%	16,36,363	8.90%	-	-

12 OTHER EQUITY :

(Rs. In Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Retained Earnings		
Balance at the beginning of the year	11,955.97	10,162.97
Profit for the year	2,711.05	2,182.56
Other Comprehensive Income (Net of Taxes)	77.49	(58.52)
Dividend paid including tax thereon	(442.44)	(334.93)
Excess/(Short) Provision of Income Tax	(56.51)	3.89
Balance at the end of the year	**14,245.56**	**11,955.97**
(b) Capital Reserve		
Balance at the beginning of the year	20.58	20.58
Balance at the end of the year	**20.58**	**20.58**
(c) Securities Premium Reserve		
Balance at the beginning of the year	8,797.82	7,461.45
Premium on Conversion of Compulsory Convertible Pref. Shares into Equity Shares	-	1,336.36
Balance at the end of the year	**8,797.82**	**8,797.82**
Total (a)+(b)+(c)	**23,063.95**	**20,774.36**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NON-CURRENT LIABILITIES

13 FINANCIAL LIABILITIES

13.1 Non Current Borrowings

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Term Loan from Banks	1,760.00	1,184.12	1,980.53
Less: Current Maturities of Long Term Borrowings	440.00	624.12	1,515.63
Total	**1,320.00**	**560.00**	**464.90**

a) Interest rate of the above loan in range between 9.10% to 12.55%
b) Borrowings from banks 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.
c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 16.3)
d) Vehicle Loans are secured by respective vehicles.
e) Maturity Profile of the above loan as below :

(Rs. In Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities	2016-17	-	-	1,515.63
	2017-18	-	624.12	-
	2018-19	440.00	-	-
Non-Current Maturities	2016-17	-	-	200.00
	2017-18	-	140.00	264.89
	2019-20	440.00	140.00	-
	2020-21	440.00	140.00	-
	2021-22	440.00	140.00	-

14 Provisions

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Gratuity Payable	340.38	303.50	131.92
(ii) Leave Encashment	47.05	83.72	-
Total	**387.43**	**387.21**	**131.92**

{Refer provision for employee benefits note no. 35}

15 Deferred tax liabilities (Net)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Excess of depreciation allowable under Income-tax law over depreciation provided as per books of account	998.64	844.14	697.09
Total	**998.64**	**844.14**	**697.09**

Current Financial liabilities

16 FINANCIAL LIABILITIES

16.1 Borrowings

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans			
(i) From Bank, Cash Credit, Packing Credit, etc.	4,619.35	5,649.59	7,832.93
(ii) Working Capital Demand loan	2,350.00	-	-
Unsecured Loan			
(i) Working Capital Demand loan	2,157.65	1,932.34	406.26
Total	**9,127.01**	**7,581.93**	**8,239.19**

a) Interest rate of the above loan in range between 5.15% to 12.25%

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.

(iii) Personal Guarantee of Directors & Others.

16.2 Trade payables

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Creditors for Raw Material	4,858.24	5,810.56	2,677.21
Total	**4,858.24**	**5,810.56**	**2,677.21**

16.3 Other financial liabilities

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Current Maturities of Long Term Borrowings	440.00	624.12	1,515.63
(ii) Dividend Payable on Preference Share	-	-	225.00
(iii) Dividend Distribution Tax	-	-	45.80
(iv) Unclaimed Dividend *	20.20	19.20	17.90
(v) Security Deposits Payable	90.62	89.52	76.28
(vi) Creditors for service & others	1,002.13	1,234.56	590.83
(vii) Other Payables :			
- Employee Dues	364.26	340.78	372.31
- Others	352.81	39.45	58.35
Total	**2,270.02**	**2,347.62**	**2,902.10**

* Investor Education and Protection Fund will be credited, as and when due.

a) Current Maturities of Long Term Debt

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Term Loan			
(i) From Banks- Rupee Loan	440.00	410.96	657.11
(ii) From Banks- Foreign Currency Term Loan	-	200.00	266.67
(iii) External Commercial Borrowing	-	-	568.31
(iv) Vehicle Loan	-	13.16	23.55
Total	**440.00**	**624.12**	**1,515.63**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

17 PROVISIONS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Gratuity Payable	8.18	6.77	-
(ii) Leave Encashment	2.73	2.16	-
Total	**10.91**	**8.93**	**-**

{Refer provision for employee benefits note no. 35 }

18 OTHER CURRENT LIABILITIES

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Advance from customers	303.04	885.85	209.14
(ii) Creditors for Capital Expenditure	425.09	396.49	716.99
Other Payables: Statutory dues	12.70	84.48	113.88
Total	**740.83**	**1,366.82**	**1,040.00**

19 CURRENT TAX LIABILITIES (NET)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Provision for Tax	250.61	244.77	-
Total	**250.61**	**244.77**	**-**

REVENUE FROM OPERATION

20 SALE OF PRODUCTS

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Domestic Sales	29,415.48	29,997.34
(ii) Export Sales	10,728.77	9,795.75
(iii) Other Operating Income*	1,169.81	1,146.29
Total	**41,314.06**	**40,939.38**

*Other Operating Income includes :

(Rs. In Lacs)

(i) Export Benefits	298.49	347.24
(ii) Scrap Sales	869.61	699.76
(iii) Miscellaneous Operating Income	1.71	99.29
Total	**1,169.81**	**1,146.29**

21 OTHER INCOME

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Interest Income	174.23	176.06
(ii) Rent Received	12.26	9.30
(iii) Others	100.97	0.12
Total	**287.46**	**185.48**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

EXPENSES

22 COST OF MATERIAL CONSUMED

(Rs. In Lacs)

Particulars	2017-18	2016-17
Opening Stock of Raw Material	3,089.14	2,647.28
Add: Purchase of Raw Material	24,870.60	22,951.11
	27,959.74	**25,598.40**
Less: Closing Stock of Raw Material	4,596.83	3,089.14
Total	**23,362.91**	**22,509.26**

22.1 Details of consumption of imported and indigenous items :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Imported	5,280.53	4,109.12
Domestic	18,082.38	18,400.14
Total	**23,362.91**	**22,509.26**

23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs. In Lacs)

Particulars	2017-18	2016-17
Inventories (at Close)		
(i) Finished Goods/Stock in Trade	3,168.53	2,959.71
(ii) Stock In Process	2,222.79	2,485.51
Total	**5,391.31**	**5,445.22**
Inventories (at Commencement)		
(i) Finished Goods/Stock in Trade	2,959.71	2,774.99
(ii) Stock In Process	2,485.51	2,982.84
Total	**5,445.22**	**5,757.83**
CHANGE IN INVENTORIES	**53.91**	**312.61**

24 EMPLOYEE BENEFIT EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Salary & Wages	3,886.46	3,620.24
(ii) Contribution to Provident & other Funds	208.98	172.43
(iii) Employees' Welfare and other Benefits	222.13	211.93
Total	**4,317.57**	**4,004.61**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25 FINANCE COST

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Interest to Bank	1,024.95	1,214.69
(ii) Interest to Other	9.78	7.54
(iii) Other Borrowing Costs	324.33	381.89
Total	**1,359.06**	**1,604.12**

26 OTHER EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
Manufacturing Expenses		
(i) Power & Fuel	214.65	222.50
(ii) Job Work Expenses	105.39	73.65
(iii) Entry Tax	10.31	34.22
(iv) Freight Charges	395.77	366.65
(v) Other Manufacturing Exp.	554.47	568.84
SUB TOTAL (a)	**1,280.59**	**1,265.86**
Administrative Expenses		
(i) Directors Remuneration	222.53	193.83
(ii) Telephone Expenses	88.90	73.22
(iii) Conveyance Expenses	215.37	190.22
(iv) Consultancy Charges	140.45	91.37
(v) Other office & Administrative Exp.	102.48	97.76
SUB TOTAL (b)	**769.72**	**646.39**
Selling & Distribution Expenses		
(i) Clearing & Forwarding Charges	166.19	122.74
(ii) Office & Godown Rent	11.91	19.36
(iii) Travelling Expenses	885.90	891.47
(iv) Advertising Exp.	235.23	287.85
(v) Market Development Exp.	141.38	256.95
(vi) Exhibition and Promotional Exp.	0.09	0.05
(vii) Freight Charges outward	478.86	165.21
(viii) ECGC Premium	30.69	33.90
(ix) Other Selling & Distribution Expenses	1,883.13	1,708.55
SUB TOTAL (c)	**3,833.39**	**3,486.08**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars	2017-18	2016-17
Other Expenses		
(i) Legal & Professional Exp.	121.77	73.65
(ii) Payment to Auditors	7.00	7.00
(iii) Repair & Maintenance	72.69	64.26
(iv) Taxes & Duties	163.68	106.88
(v) Corporate Social Responsibility Expenses	50.55	31.92
(vi) Bad Debts Written off	332.59	74.97
(vi) Donations and Contributions	15.04	1.40
(vii) Software Maintenance Expenses	20.57	38.25
(viii) Miscellaneous Expenses	23.30	9.61
SUB TOTAL (d)	**807.19**	**407.93**
Misc. Exp. Written off (e)	-	2,393.93
GRAND TOTAL (a+b+c+d+e)	**6,690.90**	**8,200.20**

26.1 Payment To Auditors

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) For Audit	4.50	4.50
(ii) For Taxation Matters	1.50	1.50
(iii) For Other Services	1.00	1.00
Total	**7.00**	**7.00**

26.2 Corporate Social Responsibility Expenses

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs 51.51 Lacs (31st March, 2017, Rs. 46.58 Lacs)

(Rs. In Lacs)

Nature of expenditure	2017-18	2016-17
a) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple	36.14	17.41
b) Free Medical Treatment thru Shakti Foundation	-	14.25
c) School Fees of poor childs thru Shakti Foundation	12.50	0.21
d) Initiative for Moral & Cultural Training Foundation	1.50	-
e) Bal Mahotsav celebration, Laptop distribution	0.41	0.05
Total	**50.55**	**31.92**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

27 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: **(Rs. In Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Commitments for the acquisition of property, plant and equipment			
i) Tangible Assets	532.23	190.70	71.01
ii) Intangible Assets	165.11	8.40	

28 CONTINGENT LIABILITIES

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Bank Guarantee Outstanding	4,335.46	1,794.60	357.39
b) Unexpired Letter of Credit	5,408.49	3,604.57	1,129.27
c) Commercial Tax Demand under Dispute	152.34	-	272.18
d) Income Tax Demand Under Dispute	1,475.85	104.78	100.44
e) Excise Demand Under Dispute	47.70	47.70	47.70
Total	**11,419.84**	**5,551.65**	**1,906.98**

29 EARNINGS PER SHARE

(Rs. In Lacs)

Particulars	2017-18	2016-17
Profit / (Loss) for the year as per statement of profit and loss	2,711.05	2,182.56
Weighted average number of shares, (nos)	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10	10
Basic earning per share	14.75	11.87
Diluted earning per share	14.75	11.87

30 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

As per the information available with the Company, there are no micro, small, and medium enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest. This has been relied upon by the auditors.

31 PROPOSED DIVIDEND

A dividend at the rate of 37% i.e. Rs. 3.7/- per equity shares is recommended by the Board of Directors at their meeting held on 15th May 2018, 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.

32 EARNINGS IN FOREIGN EXCHANGE

(Rs. In Lacs)

Particulars	2017-18	2016-17
Export Sales of Pump sets & Spares (FOB Value)	10,728.77	9,795.75
Total	**10,728.77**	**9,795.75**

33 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Exhibition & Promotional Exp.	5.29	3.56
Travelling Exp.	326.27	327.38
Advertisement Exp.	22.29	-
Total	**353.84**	**330.95**

34 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Raw Material	4,930.02	4,189.78
Capital Goods	94.72	291.90
Total	**5,024.74**	**4,481.68**

35 EMPLOYEE BENEFIT OBLIGATIONS

35.1 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.

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employers contribution to provident fund/pension fund	122.04	121.20
Employers contribution to ESIC	11.37	6.64
Total	**133.41**	**127.84**

35.2 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.

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 : **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligation at the end of year	49.78	85.88	340.38	310.27
Fair value of plan assets at the end of year	-	-	12.60	9.73
Net liability recognized in the Balance Sheet	**49.78**	**85.88**	**327.77**	**300.54**

The amounts recognized in the Statement of Profit and Loss are as follows: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	(42.85)	85.88	(5.04)	43.08
Interest cost	6.76	-	23.69	9.13
Benefits paid	-	-	-	-
Recognized net actuarial (gain)/ loss	-	-	-	-
Total, included in Employee benefit expenses	**(36.10)**	**85.88**	**18.65**	**52.21**

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:
(Rs. In Lacs)

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined benefit obligation at beginning of the year	0.00	-	0.00	121.80
Current service cost	(42.85)	85.88	(0.00)	0.00
Interest cost	6.76	-	0.00	9.13
Benefits paid	-	-	(14.53)	(10.00)
Actuarial (gain)/loss	-	-	23.12	136.52
Defined benefit obligation at end of the year	**(36.10)**	**85.88**	**8.59**	**257.46**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The financial assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Discount rate	7.87%	7.50%	7.87%	7.50%
(ii) Salary escalation rate	7.00%	10% for first three Year & 7% thereafter	7.00%	10% for first three Year & 7% thereafter
(iii) Expected rate of return on plan assets	None	None	7.50%	7.50%

The demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
(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 **(Rs. In Lacs)**

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	100 Basis Points	69.24	(56.37)
Salary growth rate	2018	100 Basis Points	69.15	(57.27)

Leave Encashment : **(Rs. In Lacs)**

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	100 Basis Points	9.33	(7.49)
Salary growth rate	2018	100 Basis Points	9.32	(7.61)

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Gratuity : **(Rs. In Lacs)**

Expected Cash Flow for the Next Ten Years :	March 31, 2018
Year 2019	10.02
Year 2020	14.09
Year 2021	25.60
Year 2022	36.41
Year 2023	27.28
Year 2024 - 2028	238.75

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.

36 INCOME TAX EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Profit or Loss Section		
Current Tax Expenses for Profit before tax	1,556.89	908.09
Deferred Tax	154.51	123.62
Total Income Tax Expenses Recognised In Statement of Profit & Loss	**1,711.41**	**1,031.71**
(ii) Other Comprehensive Income (OCI) Section		
Income tax charged to OCI	(31.86)	30.97
(iii) Reconcilation of Effective Tax Rate		
A) Profit Before Tax	4,422.46	3,214.27
B) Enacted Tax Rate In India	34.61%	34.61%
C) Expected Tax Expenses	1,530.52	1,112.39
D) Other Than Temporary Difference Section	-	328.73
E) Temporary Difference		
- Difference Between Book Depreciation And Tax Depreciation	(74.48)	(280.51)
- Other Provisions	150.67	18.90
F) Net Adjustment (E-D)	76.19	(590.33)
G) Tax Expenses/(Saving)On Net Adjustment(F*B)	26.37	(204.30)
H) Current Tax Expenses Recognised In Statement Of Profit & Loss (C+G)	1,556.89	908.09
I) Changes On Account Of Deferred Tax	154.51	123.62
Net Current Tax Expenses Recognised In Statement Of Profit & Loss (H+I)	**1,711.41**	**1,031.71**

37 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 :

1. Wholly Owned Foreign Subsidiary Companies :

(i) Shakti Pumps LLC, USA
(ii) Shakti Pumps FZE, UAE
(iii) Shakti Pumps Pty Ltd., Australia
(iv) Shakti Pumps (Shanghai) Limited, China

2. Wholly Owned Domestic Subsidiary Company :

(i) Shakti Energy Solutions Pvt. Ltd.

3. Enterprise over which Key Management are able to exercise significant influence :

(i) Shakti Irrigation India Ltd.
(ii) Arsh Industrial Solutions Pvt. Ltd.
(iii) Shakti Irrigation Pvt. Ltd.
(iv) Vintex Tools Pvt. Ltd.
(v) SPIL Energy Ltd.

4. Key Managerial Personnel :

(i) Mr. Dinesh Patidar
(ii) Mr. Sunil Patidar
(iii) Mr. Ramesh Patidar

(ii) Transaction with related parties : **(Rs. In Lacs)**

S. No	Name of Party	Nature of Transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Shakti Pumps LLC, USA	Sale of Pump & Motors	760.74	1,032.28
2	Shakti Pumps FZE , UAE	Sale of Pump & Motors	3,084.29	2,301.35
3	Shakti Pumps Pty Ltd. Australia	Sale of Pump & Motors	9.70	38.64
4	Shakti Irrigation India Ltd.	Purchase of Components	595.89	579.93
		Purchase of Drip Irrigation Pipes	348.24	25.89
		Purchase of Pipes	5.17	17.65
		Sale of Parts & Pipes	85.33	37.78
5	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	580.55	641.67
		Sales of Spare parts	1.86	-
		Interest Received	76.47	125.50
6	Shakti Energy Solutions Pvt. Ltd.	Purchase of Solar System	141.43	2,426.20
		Sale of Pump & Motors	16.16	721.32
7	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	204.10	241.36
		Sales of Asset	0.77	-
		Sale of Spare Parts	13.22	1.73

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

S. No	Name of Party	Nature of Transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
8	Shakti Irrigation Pvt. Ltd.	Sales of Pumps, Motors & other material	3.89	0.61
		Sales of Asset	3.09	-
		Income from Rent	12.26	-
		Purchase of Pipes	153.59	-
		Purchase of Asset	51.19	-
9	SPIL Energy Ltd.	Purchase of Pumps, Motors & other material	0.46	-
10	Dinesh Patidar	Remuneration	168.00	144.00
		Other Allowances	-	0.93
11	Sunil Patidar	Remuneration	12.00	12.00
		Other Allowances	11.53	11.21
12	Ramesh Patidar	Remuneration	29.00	19.20
		Other Allowances	2.00	6.49

(iii) Related Party Balance : **(Rs. In Lacs)**

S. No	Nature	Name of Party	At at March 31, 2018	At at March 31, 2017
1	Investments	Shakti Pumps USA LLC	33.32	33.32
		Shakti Pumps FZE, UAE	156.56	156.56
		Shakti Pumps Pty Ltd. Australia	117.82	14.90
		Shakti Energy Solutions Pvt. Ltd.	711.20	-
2	Trade Receivables	Shakti Pumps USA LLC	453.23	847.85
		Shakti Pumps FZE, UAE	1,502.86	1,828.10
		Shakti Pumps Pty Ltd. Australia	28.83	144.86
		Shakti Irrigation India Ltd.	114.25	25.87
		Shakti Energy Solutions Pvt. Ltd.	-	143.33
		Shakti Irrigation Private Ltd.	25.88	3.32
3	Trade Payables	Vintex Tools Pvt. Ltd.	313.80	323.77
		Shakti Irrigation India Ltd.	317.23	161.26
		Shakti Energy Solutions Pvt. Ltd.	-	32.32
		SPIL Energy Ltd.	0.46	-
4	Loan & Advances	Vintex Tools Pvt. Ltd.	-	811.92

38 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

(Rs. In Lacs)

Financial instruments by category	Carrying Value			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets at amortised cost						
Cash and bank balances	2,007.98	1,038.97	19.21	2,007.98	1,038.97	19.21
Other Financial assets	701.75	468.10	7.42	701.75	468.10	7.42
Loans	221.81	1,247.04	38.32	221.81	1,247.04	38.32
Trade Receivables	15,180.04	15,924.73	11,527.80	15,180.04	15,924.73	11,527.80
Total	**18,111.58**	**18,678.84**	**11,592.75**	**18,111.58**	**18,678.84**	**11,592.75**
Financial Liabilities at amortised cost						
Trade Payables	4,858.24	5,810.56	2,677.21	4,858.24	5,810.56	2,677.21
Borrowings	10,887.00	8,766.04	10,219.72	10,887.00	8,766.04	10,219.72
Other financial liabilities	1,830.02	1,723.50	1,386.47	1,830.02	1,723.50	1,386.47
Total	**17,575.25**	**16,300.10**	**14,283.40**	**17,575.25**	**16,300.10**	**14,283.40**

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.

Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

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.

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018 **(Rs. In Lacs)**

Particulars	As at 31st March, 2018			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	2,007.98	-	-	2,007.98
Other Financial assets	701.75	-	-	701.75
Loans	221.81	-	-	221.81
Trade Receivables	15,180.04	-	-	15,180.04
Financial Liabilities at amortised cost				
Trade Payables	4,858.24	-	-	4,858.24
Borrowings	10,887.00	-	-	10,887.00
Other financial liabilities	1,830.02	-	-	1,830.02

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2017 **(Rs. In Lacs)**

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	1,038.97	-	-	1,038.97
Other Financial assets	468.10	-	-	468.10
Loans	1,247.04	-	-	1,247.04
Trade Receivables	15,924.73	-	-	15,924.73
Financial Liabilities at amortised cost				
Trade Payables	5,810.56	-	-	5,810.56
Borrowings	8,766.04	-	-	8,766.04
Other financial liabilities	1,723.50	-	-	1,723.50

Quantitative disclosures of fair value measurement hierarchy for assets as on April 01, 2016 **(Rs. In Lacs)**

Particulars	As at April 01, 2016			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	19.21	-	-	19.21
Other Financial assets	7.42	-	-	7.42
Loans	38.32	-	-	38.32
Trade Receivables	11,527.80	-	-	11,527.80
Financial Liabilities at amortised cost				
Trade Payables	2,677.21	-	-	2,677.21
Borrowings	10,219.72	-	-	10,219.72
Other financial liabilities	1,386.47	-	-	1,386.47

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 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-to-equity ratio is as follows: **(Rs. In Lacs)**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Debt (A)	10,887.00	8,766.04	10,219.72
Equity (B)	24,901.97	22,612.38	20,819.38
Debt Equity Ratio (A)/(B)	**0.44**	**0.39**	**0.49**

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.

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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 : **(Rs. In Lacs)**

Exposure to Risk	March 31, 2018	March 31, 2017	April 1, 2016
Interest bearing borrowings:			
On Demand	4,619.35	5,649.59	7,832.93
Less than 180 Days	4,727.65	2,244.40	1,164.08
181-365 Days	220.00	312.06	757.82
More than 365 Days	1,320.00	560.00	464.89

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, USD Australian Dollar, Great Britain Pound, Euro 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 : **(Rs. In Lacs)**

Particulars	Foreign Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount
I. Trade receivables	AUD	0.11	4.99	1.99	98.03	2.34	117.61
	EUR	0.55	43.40	0.03	2.11	0.05	3.57
	USD	58.54	3,660.91	76.38	4,947.64	99.73	6,414.97
Total			**3,709.30**		**5,047.79**		**6,536.14**

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars	Foreign Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount
II. Borrowing balances	USD	-	-	3.18	200.00	16.81	1,034.98
Total			**-**		**200.00**		**1,034.98**
III. Trade payables	EUR	2.44	182.11	3.15	1,802.20	1.00	70.13
	USD	4.94	301.57	47.21	1,570.21	5.48	360.59
Total			**483.68**		**3,372.41**		**430.72**

Financial & Derivative Instruments :
Derivative Contract entered into by the company for hedging foreign currency related risks :

The Company has converted the term loan into foreign currency term loan & in order to hedge foreign currency related risk the company has entered into currency swap contract. Nominal amount of derivative contracts entered into by the company and outstanding as on 31st March is as below:

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Currency Swap	-	200.00
Total	**-**	**200.00**

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.

(Rs. In Lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
March 31, 2018			
Based on YOY change between F17 & F18	USD	+10%	335.93
	USD	-10%	(335.93)
	AUD	+10%	0.50
	AUD	-10%	(0.50)
	EUR	+10%	(0.19)
	EUR	-10%	0.19
March 31, 2017			
Based on YOY change between F16 & F17	USD	+10%	317.74
	USD	-10%	(317.74)
	AUD	+10%	9.80
	AUD	-10%	(9.80)
	EUR	+10%	(180.01)
	EUR	-10%	180.01

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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.

(Rs. in Lacs)

Floating Interest rate exposure :	March 31, 2018	March 31, 2017	April 1, 2016
Secured :			
Cash Credit, Packing Credit, etc.	4,619.35	5,649.59	7,832.93
Working Capital Demand loan	2,350.00	-	-
Unsecured :			
Working Capital Demand loan	2,157.65	1,932.34	406.26
Total	**9,127.01**	**7,581.93**	**8,239.19**

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:

(Rs. in Lacs)

	Increase/decrease in basis points	Effect on profit before tax (Loss)
As at March 31, 2018	+100	(91.27)
	-100	91.27
As at March 31, 2017	+100	(75.82)
	-100	75.82

39. FIRST TIME ADOPTION OF IND AS

These financial statements of the Company for the year ended March 31, 2018 have been prepared in accordance with Ind AS for the periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2006 (Indian GAAP). For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - "First time adoption of Indian Accounting Standards", with April 01, 2016 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 to 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet and statement of profit or loss is set out in note 39.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out below.

39.1 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions for the retrospective applications of certain requirements under Ind AS. The Company has applied the following exemptions:

A Optional exemptions

i. Deemed cost

Ind AS 101 permits a first time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financials as deemed cost at the transition date.

B Mandatory exemptions

i. Estimates

The estimates as at 01 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01 April2016, the date of transition to Ind AS and as of 31 March 2017.

39.2 Reconciliation between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows from prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of Equity As at 1st April 2016 **(Rs. in Lacs)**

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
ASSETS						
(1)	**Non-current assets**					
	(a)	Property, Plant and Equipment	11,829.36	-	11,829.36	No Impact
	(b)	Intangible Assets	-	-	-	No Impact
	(c)	Financial Assets				
		(i) Investment	62.71	-	62.71	No Impact
		(i) Loans and Advances	1,005.83	-	1,005.83	No Impact
		(ii) Other Financial Assets	328.29	-	328.29	No Impact
	(d)	Non-current tax assets (net)	322.69	19.40	342.10	Reclassification
	(e)	Other non current assets	2,559.08	(0.62)	2,558.46	Reclassification
		Total non-current assets	**16,107.95**	**18.79**	**16,126.74**	

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
(2)	**Current Assets**					
	(a)	Inventories	8,405.12	0.00	8,405.12	No Impact
	(b)	Financial Assets				
		(ii) Trade receivables	9,424.36	-	9,424.36	No Impact
		(ixia) Cash and cash equivalents	40.87	-	40.87	No Impact
		(iv) Bank balances	584.83	-	584.83	No Impact
		(v) Loans and Advances	410.62	-	410.62	No Impact
		(vi) Others Financial Assets	502.14	-	502.14	
	(c)	Other current assets	1,485.23	(8.10)	1,477.13	Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Total current assets	**20,853.16**	**(8.10)**	**20,845.06**	
		Total Assets	**36,961.12**	**10.68**	**36,971.80**	
EQUITY AND LIABILITIES						
	Equity					
	(a)	Equity Share capital	3,174.38	-	3,174.38	No Impact
	(b)	Other Equity	17,332.03	312.97	17,645.00	Dividend and Dividend tax impact
		Total equity	**20,506.41**	**312.97**	**20,819.38**	
	Liabilities					
	Non-current liabilities					
	(a)	Financial Liabilities				
		(i) Borrowings	464.89	-	464.89	No Impact
	(b)	Provisions	131.92	-	131.92	No Impact
	(c)	Deferred tax liabilities (Net)	697.09	-	697.09	No Impact
		Total non-current liabilities	**1,293.91**	**-**	**1,293.91**	
	Current liabilities					
	(a)	Financial Liabilities				
		(i) Borrowings	8,239.19	0.00	8,239.19	No Impact
		(ii) Trade payables	2,677.21	-	2,677.21	No Impact
		(iii) Other financial liabilities	2,902.10	0.00	2,902.10	No Impact
	(b)	Provisions	302.29	(302.29)	-	Reclassification
	(c)	Liabilities for current tax (net)	-	-	-	Reclassification
	(d)	Other current liabilities	1,040.00	-	1,040.00	No Impact
		Total current liabilities	**15,160.79**	**(302.29)**	**14,858.51**	
		Total Equity and Liabilities	**36,961.12**	**10.68**	**36,971.80**	

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Reconciliation of Equity As at 31st March 2017 **(Rs. in Lacs)**

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
ASSETS						
(1)	**Non-current assets**					
	(a)	Property, Plant and Equipment	12,092.89	-	12,092.89	No Impact
	(b)	Intangible Assets	27.15	-	27.15	No Impact
	(c)	Financial Assets	-	-	-	
		(i) Investment	204.80	-	204.80	No Impact
		(i) Loans and Advances	811.92	-	811.92	No Impact
		(ii) Other Financial Assets	319.65	-	319.65	No Impact
	(d)	Non-current tax assets (net)	-	331.62	331.62	Reclassification
	(e)	Other non current assets	492.01	(331.62)	160.39	Reclassification
		Total non-current assets	**13,948.41**	**-**	**13,948.41**	
(2)	**Current Assets**					
	(a)	Inventories	8,534.36	-	8,534.36	No Impact
	(b)	Financial Assets				
		(ii) Trade receivables	15,605.08	-	15,605.08	No Impact
		(ixia)Cash and cash equivalents	119.91	-	119.91	No Impact
		(iv) Bank balances	919.05	-	919.05	No Impact
		(v) Loans and Advances	435.12	-	435.12	No Impact
		(vi) Others Financial Assets	468.10	-	468.10	
	(c)	Other current assets	1,773.95	(39.65)	1,734.31	Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Total current assets	**27,855.58**	**(39.65)**	**27,815.93**	
		Total Assets	**41,804.00**	**(39.65)**	**41,764.35**	
EQUITY & LIABILITIES						
Equity						
	(a)	Equity Share capital	1,838.02	-	1,838.02	No Impact
	(b)	Other Equity	20,329.36	445.00	20,774.36	Dividend and Dividend tax impact
		Total equity	22,167.38	445.00	22,612.38	
Liabilities						
Non-current liabilities						
	(a)	Financial Liabilities				
		(i) Borrowings	560.00	-	560.00	No Impact
	(b)	Provisions	303.50	83.72	387.21	Reclassification
	(c)	Deferred tax liabilities (Net)	844.13	-	844.13	Reclassification
		Total non-current liabilities	**1,707.63**	**83.72**	**1,791.35**	
Current liabilities						
	(a)	Financial Liabilities				
		(i) Borrowings	7,581.93	0.00	7,581.93	No Impact
		(ii) Trade payables	5,810.56	-	5,810.56	No Impact
		(iii) Other financial liabilities	2,422.45	(74.84)	2,347.62	Reclassification
	(b)	Provisions	460.25	(451.32)	8.93	Reclassification
	(c)	Liabilities for current tax (net)	286.98	(42.21)	244.77	Reclassification
	(d)	Other current liabilities	1,366.82	-	1,366.82	No Impact
		Total current liabilities	**17,928.99**	**(568.37)**	**17,360.62**	
		Total Equity and Liabilities	**41,804.00**	**(39.65)**	**41,764.35**	

SHAKTI PUMPS (INDIA) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Reconciliation of Total Comprehensive Income 31 March 2017 **(Rs. in Lacs)**

Particulars		Indian GAAP	Effect of transition	Ind AS	Note
Total Revenue					
	Revenue from Operations	40,492.85	446.53	40,939.38	Reclassification
	Other Income	679.09	(493.61)	185.48	Reclassification
	Total Revenue	**41,171.94**	**(47.08)**	**41,124.86**	
Expenses					
	Cost of materials consumed	22,509.26	-	22,509.26	No Impact
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	312.61	-	312.61	No Impact
	Employee benefits expense	4,141.13	(136.52)	4,004.61	Reclassification
	Finance costs	1,596.00	8.12	1,604.12	Reclassification & Adjustments relating to processing fees of borrowings as per effective rate of interest method.
	Depreciation and amortisation expense	1,279.80	-	1,279.80	No Impact
	Other expenses	8,200.24	(0.04)	8,200.20	Reclassification
	Total Expenses	**38,039.04**	**(128.45)**	**37,910.60**	
	Profit/ (loss) before exceptions items and tax	**3,132.90**	**-**	**3,214.27**	
Tax expense					
	(1) Current tax	877.12	30.97	908.09	Reclassification
	(2) Deferred tax	123.62	-	123.62	No Impact
	Profit/(loss) for the period	**2,132.16**	**(30.97)**	**2,182.56**	
	Other Comprehensive Income		(58.52)	(58.52)	Reclassification
	Total Comprehensive Income /loss for the year	**2,132.16**	**(8.12)**	**2,124.04**	

40 Previous years figures have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

INDEPENDENT AUDITORS' REPORT

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Consolidated Indian Accounting Standards ('Ind AS') Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Shakti Pumps (India) Limited** ('hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Balance Sheet as at 31 March 2018, 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 (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in term of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authority's pronouncements issued by Institute of Chartered Accountants of India (ICAI). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We/ the other auditors whose reports we have relied upon 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 Ind AS financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books and report of other auditors;

c) The consolidated Balance Sheet, 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 Ind AS financial statement;

d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of Group's companies incorporated in India is disqualified as on 31 March 2018, 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 Holding Company and its subsidiary companies incorporated in India, 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 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter':

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 28 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 14 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company;

Other Matters

a) We did not audit the financial statement of 3 foreign subsidiaries included in the consolidated financial statements, whose financial statement reflects Net Capital employed of Rs. 654.85 lacs as at 31 March 2018 and net profit after tax Rs. 675.43 for the year ended 31 March 2018 and total comprehensive income Rs. 1.83 lacs for the year ended 31 March 2018. These financial statements have been certified by the management and furnished to us, and our opinion, in so far as it relates to the amount included in respect of a foreign subsidiaries company as stated above, is based solely on this certified financial statement.

b) We did not audit the financial statement of Indian subsidiary which has been acquired during the year and included in consolidated financial statements, whose financial statements reflects net capital employed 740.50 lacs as at 31 March 2018 and net profit after tax Rs. 9.67 lacs for the year ended 31 March 2018 and total comprehensive income Rs. Nil for the year ended 31 March 2018. These financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion on the consolidated financial statement is based solely on such audited financial statements. Our opinion is not modified in respect of other matters.

For Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

(Manoj Modi)
Proprietor
Membership Number: 524225

Place: Mumbai
Date: 15 May 2018

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS

The Annexure A referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the consolidated Ind AS financial statements for the year ended 31 March 2018.

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 Shakti Pumps (India) Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the 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 Act.

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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial 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.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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 Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

(Manoj Modi)
Proprietor
Membership Number: 524225

Place: Mumbai
Date: 15 May 2018

SHAKTI PUMPS (INDIA) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. In Lacs)

Particulars			Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	ASSETS					
	1	**Non-current assets**				
		(a) Property, plant and equipment	3	12,047.23	12,092.89	11,009.21
		(b) Capital work-in-progress	3	23.97	-	820.14
		(c) Other Intangible assets	4	58.82	27.15	-
		(d) Financial assets	5			
		(i) Investments	5.1	0.02	0.02	0.02
		(ii) Loans	5.2	261.24	811.92	1,005.83
		(iii) Other financial assets	5.3	-	319.64	328.29
		(e) Non-current tax assets (net)	6	333.88	331.62	342.09
		(f) Other non-current assets	7	416.48	160.39	2,558.46
		Total non-current assets		**13,141.64**	**13,743.63**	**16,064.04**
	2	**Current assets**				
		(a) Inventories	8	11,613.73	10,352.39	10,800.52
		(b) Financial assets	9			
		(i) Trade receivables	9.1	14,334.16	13,839.62	6,941.28
		(ii) Cash and cash equivalents	9.2	1,036.10	401.35	175.62
		(iii) Bank balance other than above	9.3	1,527.70	919.05	584.83
		(iv) Loans	9.4	221.81	435.12	410.62
		(v) Other financial assets	9.5	702.70	468.81	502.87
		(c) Other current assets	10	3,167.98	1,734.31	1,477.13
		Total current assets		**32,604.18**	**28,150.65**	**20,892.87**
		Total assets		**45,745.82**	**41,894.28**	**36956.91**
II	EQUITY AND LIABILITIES					
		Equity				
		(a) Equity share capital	11	1,838.02	1,838.02	3,174.38
		(b) Other equity	12	23,525.15	20,504.34	17,330.15
		Total equity		**25,363.17**	**22,342.36**	**20,504.53**

SHAKTI PUMPS (INDIA) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. In Lacs)

Particulars			Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Liabilities				
	1	**Non-current liabilities**				
		(a) Financial liabilities	13			
		(i) Borrowings	13.1	1,464.70	709.81	647.82
		(b) Provisions	14	387.43	387.22	131.92
		(c) Deferred tax liabilities (Net)	15	998.89	844.13	697.09
		Total non-current liabilities		**2,851.02**	**1,941.16**	**1,476.83**
	2	**Current liabilities**				
		(a) Financial liabilities	16			
		(i) Borrowings	16.1	9,127.01	7,581.93	8,239.19
		(ii) Trade payables	16.2	4,979.33	5,816.30	2,751.76
		(iii) Other financial liabilities	16.3	2,275.53	2,347.62	2,902.10
		(b) Provisions	17	10.91	8.93	-
		(c) Other current liabilities	18	829.13	1,487.55	1,082.50
		(d) Current Tax Liabilities (Net)	19	309.72	368.43	-
		Total current liabilities		**17,531.63**	**17,610.76**	**14,975.55**
		Total equity and liabilities		**45,745.82**	**41,894.28**	**36,956.91**
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 44			

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lacs)

Particulars		Note No.	2017-18	2016-17
I	Revenue from Operations	20	43,660.76	42,904.22
II	Other Income	21	349.36	210.77
III	**Total Revenue (I+II)**		**44,010.12**	**43,114.99**
IV	**Expenses :**			
	Cost of materials consumed	22	23,650.48	22,534.45
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	156.28	889.98
	Employee benefits expense	24	4,455.43	4,131.83
	Finance costs	25	1,400.91	1,651.35
	Depreciation and amortisation expense	3 & 4	1,394.95	1,279.80
	Other expenses	26	7,655.09	9,302.74
	Total Expenses (IV)		**38,713.14**	**39,790.15**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**5,296.98**	**3,324.84**
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before tax(V-VI)**		**5,296.98**	**3,324.84**
VIII	**Tax expense :**			
	(1) Current tax		1,731.28	1,036.55
	(2) Deferred tax		154.56	123.62
IX	**Profit/(loss) for the year (VII-VIII)**		**3,411.14**	**2,164.67**
X	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or (loss)		5.82	(136.52)
	(ii) Income tax on above		(2.01)	47.25
(B)	(i) Items that will be reclassified to profit or (loss)		105.37	109.75
	(ii) Income tax on above		(35.83)	(16.28)
	Total Comprehensive Income for the year (X)		**73.34**	**4.20**
	Total Comprehensive Income for the year (IX+X)		**3,484.48**	**2,168.87**
XI	Earnings per equity share of Rs. 10 each			
	(1) Basic/Diluted	29	18.56	11.78

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit & loss before tax as per profit & Loss Account		5,296.98		3,324.84
	Adjusted For :				
	Depreciation Exp.	1,394.95		1,279.80	
	Misc. Exp. Written off.	-		2,393.93	
	Interest Income	(226.05)		(176.06)	
	Interest Paid	1,058.12		1,236.40	
	Re-measurement (gains) / loss on defined benefit plans	5.82		(136.52)	
	Unrealised exchange (gain) / loss (net)	105.37		109.75	
	Profit /Loss on sale of property, plant and equipment (net)	(2.35)		9.18	
	Income Tax (Excess Provision of Previous Year)	(50.53)		3.89	
			2,285.34		4,720.36
	Operating Profit Before Working Capital Changes		**7,582.32**		**8,045.20**
	Adjusted For :				
	(Increase)/Decrease in Trade & Other Receivables	(1,043.08)		(6,949.39)	
	(Increase)/Decrease in Inventories	(1,248.98)		448.13	
	(Increase)/Decrease in Trade & Other Payables	(1,502.25)		4,341.66	
			(3,794.32)		(2,159.61)
	Net Cash Flow From Operating Activities		**3,788.00**		**5,885.60**
	Income taxes (paid)/refund (net)	(1,830.43)		(603.24)	
			(1,830.43)		(603.24)
	Net Cash Generated from in Operating Activities (A)		**1,957.57**		**5,282.35**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment	(1,117.48)		(1,564.52)	
	Purchase of intangible assets	(34.34)		(27.15)	
	Movement in Advance for Capital Goods	11.03		10.13	
	Capital work-in-progress	(2.03)		-	
	Sale of Fixed Assets	11.83		12.00	
	Interest Received	226.05		176.06	
	Acquisition of a subsidiary, net of cash acquired	(711.21)		-	
	Deposit Account with Banks	(321.97)		(334.23)	
	Net Cash Used in Investing Activities (B)		**(1,938.12)**		**(1,727.69)**

SHAKTI PUMPS (INDIA) LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long term borrowings	1,500.00		-	
	Repayment of Long term borrowings	(929.23)		(829.53)	
	Short term borrowings (NET)	1,545.08		(657.26)	
	Dividend Paid (Inc. DDT)	(442.44)		(605.74)	
	Interest on Term Loans & Others Paid	(1,058.12)		(1,236.40)	
	Net Cash Used in Financing Activities (C)		**615.29**		**(3,328.93)**
	Net Change in Cash & Cash Equivalents (A+B+C)		634.75		225.73
	Cash & Cash Equivalents at the beginning of the year		401.35		175.62
	Cash & Cash Equivalents at the end of the year		**1,036.10**		**401.35**

Note :
1. Figures in Brackets represent Cash Outflow
2. Cash and cash equivalents comprise of :

(Rs. In Lacs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Cash on hand	2.63	4.68
Balance with banks	1,033.47	396.67
Total	**1,036.10**	**401.35**

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity Share Capital

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares of Rs. 10/- each			
Balance at the beginning of the year	1,838.02	1,674.38	1,674.38
Add : Shares issued during the year	-	163.64	-
Balance at the end of the year	**1,838.02**	**1,838.02**	**1,674.38**
15 % Compulsory Convertible Preference Shares of Rs. 100/- each			
Balance at the beginning of the year	-	1,500.00	1,500.00
Less : Conversion of preference shares into equity shares during the year	-	(1,500.00)	-
Balance at the end of the year	**-**	**-**	**1,500.00**

b. Other Equity :

(Rs. In Lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total Equity
	Surplus in P/L Statement	General Reserve				
Restated balance as at April 01, 2016	**(90.55)**	**9,938.40**	**20.58**	**7,461.45**	**0.27**	**17,330.15**
Profit for the year	2,164.67	-	-	-	-	2,164.67
Other Comprehensive Income (Net of Taxes)	4.20	-	-	-	-	4.20
Dividend	-	(251.16)	-	-	-	(251.16)
Dividend Distribution Tax on above	(83.77)	-	-	-	-	(83.77)
Excess/(Short) Provision of Income Tax	3.89	-	-	-	-	3.89
Premium on Conversion of Compulsory Convertible Pref. Shares into Equity Shares	-	-	-	1,336.36	-	1,336.36
Others	(62.72)	-	-	-	62.72	-
Balance as at 31st March 2017	**1,935.72**	**9,687.24**	**20.58**	**8,797.81**	**62.99**	**20,504.34**
Income tax Excess/ short provision	-	(50.53)	-	-	-	(50.53)
Dividend paid including tax thereon	(442.44)	-	-	-	-	(442.44)
Profit for the year	3,411.14	-	-	-	-	3,411.14
Acquisition of Controlling Interest	-	-	29.29	-	-	29.29
Other Comprehensive Income (Net of Taxes)	73.34	-	-	-	-	73.34
Others	(1.83)	-	-	-	1.83	-
Balance as at 31st March 2018	**4,975.93**	**9,636.71**	**49.87**	**8,797.81**	**64.82**	**23,525.15**

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

Manoj Modi
(Proprietor)
(M.No.524225)

Place : Pithampur
Date : 15 May, 2018

For and on Behalf of the Board

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SIGNIFICANT ACCOUNTING POLICIES & NOTES

Notes to the consolidated financial statements for the year ended 31 March 2018

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:

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 31st March 2018:

Name	Country	Proportion of Ownership Interest
Shakti Pumps LLC	USA	100%
Shakti Pumps FZE	UAE	100%
Shakti Pumps Pty Ltd.	Australia	100%
Shakti Energy Solutions Pvt. Ltd.	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". The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.

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 as the case may be.

e) The accounts of Shakti Pumps LLC, USA and Shakti Pumps Pty Ltd., Australia are 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) Exemptions from retrospective application:

Business Combinations:

The Company has opted to apply Ind AS 103 prospectively from the date of transition to Ind AS, i.e. 1st April, 2016 onwards. As such, previous GAAP balances relating to assets and liabilities acquired under business combinations entered into before transition date, have been carried forward without any adjustments.

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 recognised 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.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lacs)

Particular	Freehold Land	Buildings	Plant and Machinery	Die and Tools	Comp -uters	Furniture and Fixtures	Vehicles	Office Equip-ments	Total	Capital work-in-progress
Gross Block										
Deemed cost as at April 01, 2016	**178.38**	**2,283.82**	**6,530.82**	**6,102.66**	**423.85**	**444.92**	**192.02**	**280.46**	**16,436.94**	**820.14**
Additions	-	948.14	414.45	860.88	88.07	32.13	1.24	39.56	2,384.48	-
Disposals/Adjustments	-	-	0.98	-	-	0.62	35.36	3.78	40.74	820.14
As at March 31, 2017	**178.38**	**3,231.97**	**6,944.29**	**6,963.54**	**511.92**	**476.42**	**157.90**	**316.24**	**18,780.67**	**-**
Additions	-	141.43	251.31	592.01	48.44	31.00	0.74	52.55	1,117.48	2.03
Acquisition during the year	237.48	-	0.10	0.10	1.32	0.03	-	-	239.04	21.95
Disposals/Adjustments	-	2.75	0.11	5.43	0.52	-	-	1.31	10.12	-
As at March 31, 2018	**415.86**	**3,370.64**	**7,195.60**	**7,550.22**	**561.17**	**507.45**	**158.65**	**367.48**	**20,127.07**	**23.97**
Accumulated Depreciation										
As at April 01, 2016	**-**	**392.43**	**1,842.19**	**2,635.56**	**233.79**	**177.95**	**51.68**	**94.13**	**5,427.73**	**-**
Depreciation for the Year	-	68.44	426.66	640.17	59.83	40.82	16.51	27.20	1,279.62	-
Disposals/Adjustments	-	-	0.25	-	-	0.14	17.04	2.13	19.56	-
As at March 31, 2017	**-**	**460.87**	**2,268.60**	**3,275.72**	**293.62**	**218.64**	**51.15**	**119.19**	**6,687.78**	**-**
Depreciation for the Year	-	84.32	442.42	716.12	64.33	40.23	15.02	29.84	1,392.27	-
Acquisition during the year	-	-	0.02	0.01	0.38	0.00	-	-	0.41	-
Disposals/Adjustments	-	0.13	0.02	0.05	0.28	-	-	0.16	0.64	-
As at March 31, 2018	**-**	**545.05**	**2,710.99**	**3,991.81**	**358.05**	**258.87**	**66.17**	**148.87**	**8,079.84**	**-**
Net Block :										
As at April 01, 2016	**178.38**	**1,891.39**	**4,688.64**	**3,467.10**	**190.07**	**266.96**	**140.34**	**186.34**	**11,009.21**	**820.14**
As at March 31, 2017	**178.38**	**2,771.10**	**4,675.69**	**3,687.82**	**218.31**	**257.79**	**106.75**	**197.05**	**12,092.89**	**-**
As at March 31, 2018	**415.86**	**2,825.59**	**4,484.61**	**3,558.42**	**203.12**	**248.58**	**92.47**	**218.61**	**12,047.23**	**23.97**

Note: Capital work-in-progress as at March 31, 2018 includes assets under construction at various plant.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4 OTHER INTANGIBLE ASSETS

(Rs. In Lacs)

Particulars	Computers Software
Gross Block	
As at April 01, 2016	**-**
Additions	27.33
Disposals/Adjustments	-
As at March 31, 2017	**27.33**
Additions	34.34
Disposals/Adjustments	-
As at March 31, 2018	**61.68**
Accumulated Depreciation	
As at 1st April 2016	**-**
Amortisation for the Year	0.18
Disposals/Adjustments	-
As at March 31, 2017	**0.18**
Amortisation for the Year	2.68
Disposals/Adjustments	-
As at March 31, 2018	**2.86**
Net Block	
As at April 01, 2016	**-**
As at March 31, 2017	**27.15**
As at March 31, 2018	**58.82**

5 NON CURRENT FINANCIAL ASSETS

5.1 Investments (At Cost) (Unquoted Fully paid-up unless otherwise stated)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in Others :			
(i) Equity Instrument of others (in Cosmos Bank)	0.02	0.02	0.02
Total	**0.02**	**0.02**	**0.02**

5.2 Loans and Advances (at amortised cost)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to related parties			
Vintex Tools Private Limited	-	811.92	1,005.83
Shakti Irrigation (India) Limited	261.24	-	-
Total	**261.24**	**811.92**	**1,005.83**

5.3 Other Financial Assets

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables (More than 365 Days)	-	319.64	328.29
Total	**-**	**319.64**	**328.29**

NON-CURRENT ASSETS

6 NON-CURRENT TAX ASSETS (NET)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance income-tax (net of provisions)	333.88	331.62	342.09
Total	**333.88**	**331.62**	**342.09**

7 OTHER NON-CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good)			
(i) Miscellaneous Expenditure	0.45	33.62	2,427.56
(ii) Income Tax refundable	402.21	107.04	101.04
(iii) Advance for Capital Goods	13.82	19.73	29.86
Total	**416.48**	**160.39**	**2,558.46**

CURRENT ASSETS

8 INVENTORIES

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Raw Material	4,396.51	2,878.50	2,464.77
(ii) Work In Process	200.32	210.64	182.51
(iii) Finished Goods	2,222.79	2,485.51	2,982.84
(iv) Packing Material & Consumables	4,551.06	4,551.81	4,908.04
(v) Sock in Transit	243.06	225.94	262.36
Total	**11,613.73**	**10,352.39**	**10,800.52**

Notes:

1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 16.1}

2 Valued at lower of cost and Net Realisable value unless otherwise stated (Refer accounting policies)

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9 CURRENT FINANCIAL ASSETS

9.1 Trade receivables

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
Trade receivables	14,334.16	13,839.62	6,941.28
Less: Allowance for credit losses	-	-	-
Total	**14,334.16**	**13,839.62**	**6,941.28**

Notes:

1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 16.1}

2 Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

3 Related party transactions & balance {Refer note no. 37}

9.2 Cash and cash equivalents

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Cash on hand	2.63	4.68	7.80
(ii) Balance with scheduled banks :			
In current accounts	306.68	321.28	167.82
Fixed Deposit with maturity less than 3 months	726.79	75.39	-
Total	**1,036.10**	**401.35**	**175.62**

9.3 Other bank balances

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) In fixed deposit accounts	1,507.50	899.86	566.93
(ii) Unclaimed Dividend	20.20	19.19	17.90
Total	**1,527.70**	**919.05**	**584.83**

Notes:

1 Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

2 The Company can utilise the balance towards settlement of unclaimed dividend.

9.4 Loans

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Advance for Salary & tour	58.47	67.07	107.37
(ii) Advance for Raw Material	163.34	368.05	303.25
Total	**221.81**	**435.12**	**410.62**

9.5 Others Financial Assets

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Security Deposits	675.65	460.83	502.87
(ii) Interest receivable on fixed deposits with bank	27.05	7.98	-
Total	**702.70**	**468.81**	**502.87**

10 OTHER CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured- considered good)			
(i) Prepaid Expenses	144.27	47.11	70.43
(ii) Balances with Government Authorities	3,023.71	1,687.20	1,406.70
Total	**3,167.98**	**1,734.31**	**1,477.13**

11 SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised :						
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	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	15,00,000	1,500.00
Total	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**
Issued & Subscribed :		**-**		**-**		**-**
Equity shares of Rs. 10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04	1,69,23,993	1,692.40
15 % Compulsory Convertible Preference Shares of Rs. 100/- each	-	-	-	-	15,00,000	1,500.00
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**	**1,84,23,993**	**3,192.40**
Paid Up Capital :		**-**		**-**		**-**
Equity Shares of Rs. 10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02	1,67,43,793	1,674.38
15 % Compulsory Convertible Preference Shares of Rs. 100/- each	-	-	-	-	15,00,000	1,500.00
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**	**1,82,43,793**	**3,174.38**

11.1 Terms/rights attached to the equity shares :

(i) The Company has only one class of equity shares having a par value of Rs. 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.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

11.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

11.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

(i) Equity Shares : **(Rs. In Lacs)**

Particulars	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,67,43,793	1,674.38	1,67,43,793	1,674.38
Add: Additional equity shares issued during the year	-	-	16,36,363	163.64	-	-
Less: Equity shares forfeited/ Bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**	**1,67,43,793**	**1,674.38**

(ii) 15 % Compulsory Convertible Preference Shares : **(Rs. In Lacs)**

Particulars	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	-	-	15,00,000	1,500.00	15,00,000	1,500.00
Add: Additional preference shares issued during the year	-	-	-	-	-	-
Less: Redemption of preference shares during the year	-	-	15,00,000	1,500.00	-	-
Balance as at the end of the year	**-**	**-**	**-**	**-**	**15,00,000**	**1,500.00**

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

Name of the Shareholder	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	35,21,488	19.16%	35,21,488	19.16%	35,21,488	21.03%
Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%	15,62,200	9.33%
Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%	15,00,000	8.96%
M.L.Securities & Finance Pvt. Ltd.	9,38,994	5.11%	17,71,829	9.64%	18,37,383	10.97%
AF Holdings	16,36,363	8.90%	16,36,363	8.90%	-	-

12 OTHER EQUITY

(Rs. In Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Retained Earnings		
Balance at the beginning of the year	**11,622.96**	**9,847.85**
Profit for the year	3,411.14	2,164.67
Other Comprehensive Income (Net of Taxes)	73.34	4.20
Dividend paid including tax thereon	(442.44)	(334.93)
Excess/(Short) Provision of Income Tax	(50.53)	3.89
Others	(1.83)	(62.72)
Balance at the end of the year	**14,612.64**	**11,622.96**
(b) Capital Reserve		
Balance at the beginning of the year	**20.58**	**20.58**
Acquisition of Controlling Interest	29.29	-
Balance at the end of the year	**49.87**	**20.58**
(c) Securities Premium Reserve		
Balance at the beginning of the year	**8,797.81**	**7,461.45**
Premium on Conversion of Compulsory Convertible Pref. Shares into Equity Shares	-	1,336.36
Balance at the end of the year	**8,797.81**	**8,797.81**
(d) Foreign Exchange Fluctuation Reserve		
Balance at the beginning of the year	**62.99**	**0.27**
Foreign currency translation reserve	1.83	62.72
Balance at the end of the year	**64.82**	**62.99**
Total (a)+(b)+(c)+(d)	**23,525.15**	**20,504.34**

13 NON-CURRENT FINANCIAL LIABILITIES

13.1 Borrowings

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Term Loan from Banks	1,904.70	1,333.93	2,163.46
Less: Current Maturities of Long Term Borrowings	440.00	624.12	1,515.64
Total	**1,464.70**	**709.81**	**647.82**

(a) Interest rate of the above loan in range between 9.10% to 12.55%.
(b) Borrowings from banks 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.
(c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 16.3)
(d) Vehicle Loans are secured by respective vehicles.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14 PROVISIONS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Gratuity Payable	340.38	303.50	131.92
(ii) Leave Encashment	47.05	83.72	-
Total	**387.43**	**387.22**	**131.92**

{Refer provision for employee benefits note no. 35}

15 DEFERRED TAX LIABILITIES (NET)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Excess of depreciation allowable under Income-tax law over depreciation provided as per books of account	998.89	844.13	697.09
Total	**998.89**	**844.13**	**697.09**

CURRENT FINANCIAL LIABILITIES

16.1 Borrowings

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans			
(i) From Bank, Cash Credit, Packing Credit, etc.	4,619.35	5,649.59	7,832.93
(ii) Working Capital Demand loan	2,350.00	-	-
Unsecured Loan			
(i) Working Capital Demand loan	2,157.66	1,932.34	406.26
Total	**9,127.01**	**7,581.93**	**8,239.19**

(a) Interest rate of the above loan in range between 5.15% to 12.25%
(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.
  (iii) Personal Guarantee of Directors & Others.

16.2 Trade payables

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Creditors for Raw Material	4,979.33	5,816.30	2,751.76
Total	**4,979.33**	**5,816.30**	**2,751.76**

16.3 Other Financial Liabilities

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Current Maturities of Long Term Borrowings	440.00	624.12	1,515.64
(ii) Dividend Payable on Preference Share	-	-	225.00
(iii) Dividend Distribution Tax	-	-	45.80
*(iv) Unclaimed Dividend	20.20	19.19	17.90
(v) Security Deposits Payable	90.62	89.52	76.28
(vi) Creditors for service & others	1,003.70	1,234.56	590.83
(vii) Other Payables :			
- Employee Dues	365.88	340.78	372.31
- Others	355.13	39.45	58.34
Total	**2,275.53**	**2,347.62**	**2,902.10**

* Investor Education and Protection Fund will be credited, as and when due.

16.4 Current Maturities of Long Term Debt

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Term Loan			
(i) From Banks- Rupee Loan	440.00	410.96	657.11
(ii) From Banks- Foreign Currency Term Loan	-	200.00	266.67
(iii) External Commercial Borrowing	-	-	568.31
(iv) Vehicle Loan	-	13.16	23.55
Total	**440.00**	**624.12**	**1,515.64**

17 PROVISIONS

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Gratuity Payable	8.18	6.77	-
(ii) Leave Encashment	2.73	2.16	-
Total	**10.91**	**8.93**	**-**

{Refer provision for employee benefits note no.(35)}

CURRENT LIABILITIES

18 OTHER CURRENT LIABILITIES

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Advance from customers	357.45	920.26	234.11
(ii) Creditors for Capital Expenditure	425.09	396.49	716.99
(iii) Statutory dues	46.59	170.80	131.40
Total	**829.13**	**1,487.55**	**1,082.50**

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19 CURRENT TAX LIABILITIES (NET)

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax	309.72	368.43	-
Total	**309.72**	**368.43**	**-**

REVENUE FROM OPERATION

20 SALE OF PRODUCTS

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Domestic Sales	29,488.95	29,997.34
(ii) Export Sales	13,002.00	11,760.59
(iii) Other Operating Income*	1,169.81	1,146.29
Total	**43,660.76**	**42,904.22**

*** Other Operating Income includes :**

(i) Export benefits	298.49	347.24
(ii) Scrap Sales	869.61	699.76
(iii) Other operating Income	1.71	99.29
Total	**1,169.81**	**1,146.29**

21 Other Income

Particulars	2017-18	2016-17
(i) Interest Income	226.05	176.07
(ii) Rent received	12.26	9.30
(iii) Others	111.05	25.40
Total	**349.36**	**210.77**

EXPENSES

22 Cost Of Material Consumed

Particulars	2017-18	2016-17
Opening Stock of Raw Material	3,089.14	2,647.28
Add: Purchase of Raw Material	25,158.16	22,976.31
	28,247.30	25,623.59
Less: Closing Stock of Raw Material	4,596.82	3,089.14
	23,650.48	**22,534.45**

22.1 Details of consumption of imported and indigenous items :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Imported	5,280.53	4,109.12
Domestic	18,369.95	18,425.33
Total	**23,650.48**	**22,534.45**

23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs. In Lacs)

Particulars	2017-18	2016-17
Inventories (at Close)		
(i) Finished Goods/Stock in Trade	4,794.11	4,777.74
(ii) Stock In Process	2,222.79	2,485.51
Total	**7,016.90**	**7,263.25**
Inventories (at Commencement)		
(i) Finished Goods/Stock in Trade	4,687.67	5,170.40
(ii) Stock In Process	2,485.51	2,982.84
Total	**7,173.18**	**8,153.23**
CHANGE IN INVENTORIES	**156.28**	**889.98**

24 EMPLOYEE BENEFIT EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Salary & Wages	4,019.01	3,744.34
(ii) Contribution to Providend & other Funds	208.98	172.43
(iii) Employees' Welfare and other Benefits	227.44	215.06
Total	**4,455.43**	**4,131.83**

25 FINANCE COST

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Interest to Bank	1,048.34	1,236.40
(ii) Interest to Other	9.78	7.53
(iii) Other Borrowing Costs	342.79	407.42
Total	**1,400.91**	**1,651.35**

SHAKTI PUMPS (INDIA) LIMITED
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26 OTHER EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
Manufacturing Expenses		
(i) Power & Fuel	214.65	222.50
(ii) Job Work Expenses	147.68	107.90
(iii) Entry Tax	10.69	34.22
(iv) Freight Charges	602.17	530.23
(v) Other Manufacturing Exp.	563.64	584.37
SUB TOTAL (a)	**1,538.82**	**1,479.22**
Administrative Expenses		
(i) Directors Remuneration	246.53	193.83
(ii) Telephone Expenses	93.54	78.12
(iii) Conveyance Expenses	217.35	193.54
(iv) Consultancy Charges	214.16	95.95
(v) Other office & Administrative Exp.	155.65	140.95
SUB TOTAL (b)	**927.24**	**702.39**
Selling & Distribution Expenses		
(i) Clearing & Forwarding Charges	166.19	122.74
(ii) Office & Godown Rent	68.66	85.00
(iii) Travelling Expenses	928.72	944.34
(iv) Advertising Exp.	345.86	394.16
(v) Market Development Exp.	178.39	303.48
(vi) Exhibition and Promotional Exp.	1.09	5.71
(vii) Freight Charges outward	502.80	290.53
(viii) ECGC Premium	30.69	33.90
(ix) Other Selling & Distribution Expenses	2,121.70	1,995.42
SUB TOTAL (c)	**4,344.12**	**4,175.28**
Other Expenses		
(i) Legal & Professional Exp.	138.51	115.66
(ii) Payment to Auditors	10.92	10.71
(iii) Repair & Maintenance	73.16	64.72
(iv) Taxes & Duties	165.92	107.04
(v) Corporate Social Responsibility Expenses	50.55	31.92
(vi) Bad Debts Written off	332.59	74.97
(vii) Donations and Contributions	15.04	1.40
(viii) Software Maintenance Expenses	20.57	38.25
(ix) Miscellaneous Expenses	37.66	107.25
SUB TOTAL (d)	**844.91**	**551.92**
Misc. Exp. Written off (e)	-	2,393.93
GRAND TOTAL (a+b+c+d+e)	**7,655.09**	**9,302.74**

26.1 Payment To Auditors :

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) For Audit	4.50	4.50
(ii) For Taxation Matters	1.50	1.50
(iii) For Other Services	4.92	4.71
Total	**10.92**	**10.71**

26.2 Corporate Social Responsibility Expenses :

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs 51.51 Lacs (31st March, 2017, Rs. 46.58 Lacs).

(Rs. In Lacs)

Nature of expenditure	2017-18	2016-17
a) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple	36.14	17.41
b) Free Medical Treatment thru Shakti Foundation	-	14.25
c) School Fees of poor childs thru Shakti Foundation	12.50	0.21
d) Initiative for Moral & Cultural Training Foundation	1.50	-
e) Bal Mahotsav celebration, Laptop distribution	0.41	0.05
Total	**50.55**	**31.92**

27 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:- (Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Commitments for the acquisition of property, plant and equipment			
i) Tangible Assets	532.23	190.70	71.01
ii) Intangible Assets	165.11	8.40	-

28 CONTINGENT LIABILITIES :

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Bank Guarantee Outstanding	4,335.46	1,794.60	357.39
b) Unexpired Letter of Credit	5,661.04	3,604.57	1,129.27
c) Commercial Tax Demand under Dispute	152.34	-	272.18
d) Income Tax Demand Under Dispute	1,475.85	104.78	100.44
e) Excise Demand Under Dispute	47.70	47.70	47.70
Total	**11,672.39**	**5,551.65**	**1,906.98**

SHAKTI PUMPS (INDIA) LIMITED
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29 EARNINGS PER SHARE

(Rs. In Lacs)

Particulars	2017-18	2016-17
Profit / (Loss) for the year as per statement of profit and loss	3,411.14	2,164.67
Weighted average number of shares, (nos)	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10	10
Basic/Diluted earning per share	**18.56**	**11.78**

30 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 :

As per the information available with the Company, there are no micro, small, and medium enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest. This has been relied upon by the auditors.

31 PROPOSED DIVIDEND :

A dividend at the rate of 37% i.e. Rs. 3.7/- per equity shares is recommended by the Board of Directors at their meeting held on 15th May 2018, 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.

32 EARNINGS IN FOREIGN EXCHANGE

(Rs. In Lacs)

Particulars	2017-18	2016-17
Export Sales of Pump sets & Spares (FOB Value)	10,728.77	9,795.75
Total	**10,728.77**	**9,795.75**

33 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Exhibition & Promotional Exp.	5.29	3.56
Travelling Exp.	326.27	327.38
Advertisement Exp.	22.29	-
Total	**353.84**	**330.95**

34 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

(Rs. In Lacs)

Particulars	2017-18	2016-17
Raw Material	5,280.53	4,109.12
Capital Goods	94.72	291.90
Total	**5,375.25**	**4,401.02**

35 EMPLOYEE BENEFIT OBLIGATIONS

35.1 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.

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employers contribution to provident fund/pension fund	122.04	121.20
Employers contribution to ESIC	11.37	6.64
Total	**133.41**	**127.84**

35.2 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 : **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligation at the end of year	49.78	85.88	340.38	310.27
Fair value of plan assets at the end of year	-	-	12.60	9.73
Net liability recognized in the Balance Sheet	**49.78**	**85.88**	**327.77**	**300.54**

The amounts recognized in the Statement of Profit and Loss are as follows: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	(42.85)	85.88	(5.04)	43.08
Interest cost	6.76	-	23.69	9.13
Benefits paid	-	-	-	-
Recognized net actuarial (gain)/ loss	-	-	-	-
Total, included in Employee benefit expenses	**(36.10)**	**85.88**	**18.65**	**52.21**

SHAKTI PUMPS (INDIA) LIMITED
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Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Rs. In Lacs)

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined benefit obligation at beginning of the year	0.00	-	0.00	121.80
Current service cost	(42.85)	85.88	(0.00)	0.00
Interest cost	6.76	-	0.00	9.13
Benefits paid	-	-	(14.53)	(10.00)
Actuarial (gain)/loss	-	-	23.12	136.52
Defined benefit obligation at end of the year	**(36.10)**	**85.88**	**8.59**	**257.46**

The financial assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Discount rate	7.87%	7.50%	7.87%	7.50%
(ii) Salary escalation rate	7.00%	10% for first three Year & 7% there after	7.00%	10% for first three Year & 7% thereafter
(iii) Expected rate of return on plan assets	None	None	7.50%	7.50%

The demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
(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: **(Rs. In Lacs)**

Gratuity :

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	100 Basis Points	69.24	(56.37)
Salary growth rate	2018	100 Basis Points	69.15	(57.27)

Leave Encashment : **(Rs. In Lacs)**

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	100 Basis Points	9.33	(7.49)
Salary growth rate	2018	100 Basis Points	9.32	(7.61)

Gratuity : **(Rs. In Lacs)**

Expected Cash Flow for the Next Ten Years :	March 31, 2018
Year 2019	10.02
Year 2020	14.09
Year 2021	25.60
Year 2022	36.41
Year 2023	27.28
Year 2024 - 2028	238.75

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.

36 INCOME TAX EXPENSES

(Rs. In Lacs)

Particulars	2017-18	2016-17
(i) Profit or Loss Section		
Current Tax Expenses	1,731.28	1,036.55
Deferred Tax Expenses	154.56	123.62
Total Income Tax Expenses Recognised In Statement of Profit & Loss	**1,885.84**	**1,160.17**
(ii) Other Comprehensive Income (OCI) Section		
Income tax charged to OCI	(37.84)	30.97
(iii) Reconcilation of Effective Tax Rate		
A) Profit Before Tax	5,296.98	3,324.84
B) Enacted Tax Rate In India	34.61%	34.61%
C) Expected Tax Expenses	1,833.18	1,150.66
D) Other Than Temporary Difference Section	370.62	68.11
E) Temporary Difference		
-Difference Between Book Depreciation And Tax Depreciation	(74.48)	(280.51)
-Other Provisions	150.67	18.90
F) Net Adjustment (E-D)	(294.43)	(329.72)
G) Tax Expenses/(Saving)On Net Adjustment(F*B)	(101.90)	(114.11)
H) Current Tax Expenses Recognised In Statement Of Profit & Loss (C+G)	1,731.28	1,036.55
I) Changes On Account Of Deferred Tax	154.56	123.62
Net Current Tax Expenses Recognised In Statement Of Profit & Loss (H+I)	**1,885.84**	**1,160.17**

SHAKTI PUMPS (INDIA) LIMITED
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37 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 :

1 Enterprise over which Key Management are able to exercise significant influence :

(i) Shakti Irrigation India Ltd.
(ii) Arsh Industrial Solutions Pvt. Ltd.
(iii) Shakti Irrigation Pvt. Ltd.
(iv) Vintex Tools Pvt. Ltd.
(v) SPIL Energy Ltd.

2 Key Managerial Personnel :

(i) Mr. Dinesh Patidar
(ii) Mr. Sunil Patidar
(iii) Mr. Ramesh Patidar
(iv) Mrs. Indira Patidar

(ii) Transaction with related parties : **(Rs. In Lacs)**

S. No	Name of Party	Nature of Transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
1.	Shakti Irrigation India Ltd.	Purchase of Components	595.89	579.93
		Purchase of Drip Irrigation Pipes	348.24	25.89
		Purchase of Pipes	5.17	27.36
		Sale of Parts & Pipes	85.33	37.78
		Sales of Pumps & Motors & other material	89.57	-
		Interest Received	51.82	-
2.	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	580.55	641.67
		Sales of Spare parts	1.86	-
		Interest Received	76.47	125.50
3.	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	204.10	241.36
		Sales of Asset	0.77	-
		Sale of Spare Parts	13.22	1.73
4.	Shakti Irrigation Pvt. Ltd.	Sales of Pumps, Motors & other material	3.89	0.61
		Sales of Asset	3.09	-
		Income from Rent	12.26	-
		Purchase of Pipes	172.19	-
		Purchase of Asset	51.19	-
5.	SPIL Energy Ltd.	Purchase of Pumps, Motors & other material	0.47	-
6.	Dinesh Patidar	Remuneration	168.00	144.00
		Other Allowances	-	0.93
7.	Sunil Patidar	Remuneration	12.00	12.00
		Other Allowances	11.53	11.21
8.	Ramesh Patidar	Remuneration	29.00	19.20
		Other Allowances	2.00	6.49
9.	Mrs. Indira Patidar	Remuneration	24.00	-

(iii) Related Party Balance : **(Rs. In Lacs)**

S.No	Nature	Name of Party	As at March 31, 2018	As at March 31, 2017
1.	Trade Receivables	Shakti Irrigation India Ltd.	114.25	25.87
		Shakti Irrigation Pvt. Ltd.	25.88	3.32
2.	Trade Payables	Vintex Tools Pvt. Ltd.	313.80	323.77
		Shakti Irrigation India Ltd.	303.88	162.23
		Shakti Irrigation Pvt. Ltd.	18.61	-
		SPIL Energy Ltd.	104.23	-
3.	Loan & Advances	Vintex Tools Pvt. Ltd.	-	811.92
		Shakti Irrigation India Limited	261.24	-
4.	Advance From Customer	SPIL Energy Ltd.	10.03	-

38 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

(Rs. In Lacs)

Financial instruments by category	Carrying Value			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets at amortised cost						
Cash and bank balances	2,563.80	1,320.41	760.45	2,563.80	1,320.41	760.45
Other Financial assets	702.70	788.45	831.16	702.70	788.45	831.16
Loans	483.05	1,247.04	1,416.45	483.05	1,247.04	1,416.45
Trade Receivables	14,334.16	13,839.62	6,941.28	14,334.16	13,839.62	6,941.28
Total	**18,083.71**	**17,195.52**	**9,949.34**	**18,083.71**	**17,195.52**	**9,949.34**
Financial Liabilities at amortised cost						
Trade Payables	4,979.33	5,816.30	2,751.76	4,979.33	5,816.30	2,751.76
Borrowings	11,031.70	8,915.85	10,402.65	11,031.70	8,915.85	10,402.65
Other financial liabilities	1,835.53	1,723.50	1,386.46	1,835.53	1,723.50	1,386.46
Total	**17,846.57**	**16,455.66**	**14,540.87**	**17,846.57**	**16,455.66**	**14,540.87**

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.

Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

SHAKTI PUMPS (INDIA) LIMITED
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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 as on March 31, 2018 **(Rs. In Lacs)**

Particulars	As at 31st March, 2018			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	2,563.80	-	-	2,563.80
Other Financial assets	702.70	-	-	702.70
Loans	483.05	-	-	483.05
Trade Receivables	14,334.16	-	-	14,334.16
Financial Liabilities at amortised cost				
Trade Payables	4,979.33	-	-	4,979.33
Borrowings	11,031.70	-	-	11,031.70
Other financial liabilities	1,835.53	-	-	1,835.53

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2017 **(Rs. In Lacs)**

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	1,320.41	-	-	1,320.41
Other Financial assets	788.45	-	-	788.45
Loans	1,247.04	-	-	1,247.04
Trade Receivables	13,839.62	-	-	13,839.62
Financial Liabilities at amortised cost				
Trade Payables	5,816.30	-	-	5,816.30
Borrowings	8,915.85	-	-	8,915.85
Other financial liabilities	1,723.50	-	-	1,723.50

Quantitative disclosures of fair value measurement hierarchy for assets as on April 01, 2016 **(Rs. In Lacs)**

Particulars	As at 31st March, 2016			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and bank balances	760.45	-	-	760.45
Other Financial assets	831.16	-	-	831.16
Loans	1,416.45	-	-	1,416.45
Trade Receivables	6,941.28	-	-	6,941.28
Financial Liabilities at amortised cost				
Trade Payables	2,751.76	-	-	2,751.76
Borrowings	10,402.65	-	-	10,402.65
Other financial liabilities	1,386.46	-	-	1,386.46

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 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-to-equity ratio is as follows: **(Rs. In Lacs)**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Debt (A)	11,031.70	8,915.85	10,402.65
Equity (B)	25,363.17	22,342.36	20,504.53
Debt Equity Ratio (A)/(B)	**0.43**	**0.40**	**0.51**

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

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 : **(Rs. In Lacs)**

Exposure to Risk	March 31, 2018	March 31, 2017	April 1, 2016
Interest bearing borrowings:			
On Demand	4,619.35	5,649.59	7,832.93
Less than 180 Days	4,727.65	2,244.40	1,164.08
181-365 Days	220.00	312.06	757.82
More than 365 Days	1,464.70	709.81	647.82

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 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 : **(Rs. In Lacs)**

Particulars	Foreign Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount	Foreign Curr. Amount	Amount
I. Trade receivables :	AUD	0.11	4.99	1.99	98.03	2.34	117.61
	EUR	0.55	43.40	0.03	2.11	0.05	3.57
	USD	58.54	3,660.91	76.38	4,947.64	99.73	6,414.97
Total			**3,709.30**		**5,047.78**		**6,536.15**
II. Borrowing balances :	USD	-	-	3.18	200.00	16.81	1,034.98
Total			**-**		**200.00**		**1,034.98**
III. Trade payables :	EUR	2.44	182.11	3.15	1,802.20	1.00	70.13
	USD	4.94	301.57	47.21	1,570.21	5.48	360.59
Total			**483.68**		**3,372.41**		**430.72**

Financial & Derivative Instruments :

Derivative Contract entered into by the company for hedging foreign currency related risks :

The Company has converted the term loan into foreign currency term loan and in order to hedge foreign currency related risk the company has entered into currency swap contract. Nominal amount of derivative contracts entered into by the company and outstanding as on 31st March is as alongside :

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Currency Swap	-	200.00
Total	**-**	**200.00**

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.

(Rs. In Lacs)

	Particulars	Currency	Change in rate	Effect on profit before tax
March 31, 2018	Based on YOY change between F17 & F18	USD	+10%	335.93
		USD	-10%	(335.93)
		AUD	+10%	0.50
		AUD	-10%	(0.50)
		EUR	+10%	(0.19)
		EUR	-10%	0.19
March 31, 2017	Based on YOY change between F16 & F17	USD	+10%	317.74
		USD	-10%	(317.74)
		AUD	+10%	9.80
		AUD	-10%	(9.80)
		EUR	+10%	(180.01)
		EUR	-10%	180.01

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.

(Rs. In Lacs)

Floating Interest rate exposure	March 31, 2018	March 31, 2017	April 1, 2016
Secured :			
Cash Credit, Packing Credit, etc.	4,619.35	5,649.59	7,832.93
Working Capital Demand loan	2,350.00	-	-
Unsecured :			
Working Capital Demand loan	2,157.66	1,932.34	406.26
Total	**9,127.01**	**7,581.93**	**8,239.19**

SHAKTI PUMPS (INDIA) LIMITED
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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:

(Rs. In Lacs)

Particulars	Increase / decrease in basis points	Effect on profit before tax (Loss)
As at March 31, 2018	+100	(91.27)
	-100	91.27
As at March 31, 2017	+100	(75.82)
	-100	75.82

39 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: **(Rs. In Lacs)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Segment Revenue		
India	41,884.39	41,124.86
USA	1,904.05	2,187.01
FZE	4,184.14	3,112.51
Australia	49.85	62.87
Total Segment Revenue	**48,022.43**	**46,487.26**
Inter segment sales	(4,012.31)	(3,372.26)
Income from operations	**44,010.12**	**43,114.99**
2. Segment Results		
Profit/(loss) before finance costs, Exceptional Items & Tax		
India	5,786.85	4,818.39
USA	485.62	340.91
FZE	415.27	(149.36)
Australia	10.16	(33.74)
Total	**6,697.90**	**4,976.19**
Less: Finance Cost	(1,400.91)	(1,651.35)
Profit before exceptional items & tax	**5,296.98**	**3,324.84**

(Rs. In Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional Items	-	-
Profit before Tax	**5,296.98**	**3,324.84**
3. Capital Employed		
(Segment Assets)		
India	43,041.35	39,024.80
USA	1,134.57	1,329.79
FZE	1,448.02	1,417.35
Australia	121.88	122.35
Total Segment Assets	**45,745.82**	**41,894.28**
(Segment Liabilities)		
India	18,333.02	16,557.09
USA	331.83	803.22
FZE	1,680.05	2,038.71
Australia	37.74	152.89
Total Segment Liabilities	**20,382.65**	**19,551.92**
Net Capital Employed		
(Segment Assets-Segment Liabilities)		
India	24,708.33	22,467.71
USA	802.74	526.57
FZE	(232.03)	(621.37)
Australia	84.14	(30.54)
Total Capital Employed	**25,363.17**	**22,342.37**

40 FIRST TIME ADOPTION OF IND AS

These financial statements of the Company for the year ended March 31, 2018 have been prepared in accordance with Ind AS for the periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2006 (Indian GAAP). For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - "First time adoption of Indian Accounting Standards", with April 01, 2016 as the transition date and Indian GAAP as the previous GAAP.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 to 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet and statement of profit or loss is set out in note 40.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out below.

40.1 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions for the retrospective applications of certain requirements under Ind AS. The Company has applied the following exemptions:

A. Optional exemptions

i. Deemed cost

Ind AS 101 permits a first time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financials as deemed cost at the transition date.

B. Mandatory exemptions

i. Estimates

The estimates as at 01 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01 April 2016, the date of transition to Ind AS and as of 31 March 2017.

40.2 Reconciliation between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows from prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

A. Reconciliation of Equity As at 1st April 2016 **(Rs. In Lacs)**

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
ASSETS						
(1)	Non-current assets					
	(a)	Property, Plant and Equipment	11,009.21	-	11,009.21	No Impact
	(b)	Capital work-in-progress	820.14	-	820.14	No Impact
	(c)	Financial Assets				
		(i) Investment	0.02	-	0.02	No Impact
		(ii) Loans and Advances	1,005.83	-	1,005.83	No Impact
		(iii) Other Financial Assets	328.29	-	328.29	No Impact
	(d)	Non-current tax assets (net)	322.69	19.40	342.09	Reclassification
	(e)	Other non current assets	2,559.08	(0.62)	2,558.46	Reclassification
		Total non-current assets	**16,045.26**	**18.79**	**16,064.04**	

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
(2)	**Current Assets**					
	(a)	Inventories	10,800.52	-	10,800.52	No Impact
	(b)	Financial Assets				
		(i) Trade receivables	6,941.28	-	6,941.28	No Impact
		(ii) Cash and cash equivalents	175.62	-	175.62	No Impact
		(iii) Bank balances	584.83	-	584.83	No Impact
		(iv) Loans and Advances	410.62	-	410.62	No Impact
		(v) Others Financial Assets	502.87	-	502.87	
	(c)	Other current assets	1,485.23	(8.10)	1,477.13	Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Total current assets	**20,900.97**	**(8.10)**	**20,892.87**	
		Total Assets	**36,946.23**	**10.68**	**36,956.91**	
EQUITY & LIABILITIES						
	Equity					
	(a)	Equity Share capital	3,174.38	-	3,174.38	No Impact
	(b)	Other Equity	17,017.19	312.97	17,330.15	Dividend and Dividend tax impact,Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Total equity	**20,191.57**	**312.97**	**20,504.53**	
	Liabilities					
(1)	**Non-current liabilities**					
	(a)	Financial Liabilities				
		(i) Borrowings	647.82	-	647.82	No Impact
	(b)	Provisions	131.92	-	131.92	No Impact
	(c)	Deferred tax liabilities (Net)	697.09	-	697.09	No Impact
	Total non-current liabilities		**1,476.83**	**-**	**1,476.83**	
(2)	**Current liabilities**					
	(a)	Financial Liabilities				
		(i) Borrowings	8,239.19	-	8,239.19	No Impact
		(ii) Trade payables	2,751.76	-	2,751.76	No Impact
		(iii) Other financial liabilities	2,902.10	-	2,902.10	No Impact
	(b)	Provisions	302.29	(302.29)	-	Dividend and Dividend tax impact
	(c)	Other current liabilities	1,082.50	-	1,082.50	No Impact
		Total current liabilities	**15,277.83**	**(302.29)**	**14,975.55**	
		Total Equity and Liabilities	**36,946.23**	**10.68**	**36,956.91**	

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B. Reconciliation of Equity As at 31st March 2017 **(Rs. In Lacs)**

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
ASSETS						
(1)	Non-current assets					
	(a)	Property, Plant and Equipment	12,092.89	-	12,092.89	No Impact
	(b)	Intangible Assets	27.15	-	27.15	No Impact
	(c)	Financial Assets				
		(i) Investment	0.02	-	0.02	No Impact
		(ii) Loans and Advances	811.92	-	811.92	No Impact
		(iii) Other Financial Assets	319.64	-	319.64	No Impact
	(d)	Non-current tax assets (net)	-	331.62	331.62	Reclassification
	(e)	Other non current assets	492.01	(331.62)	160.39	Reclassification
		Total non-current assets	**13,743.63**	**-**	**13,743.63**	
(2)	Current Assets					
	(a)	Inventories	10,292.28	60.11	10,352.39	Adjustments relating to reserve on inventory
	(b)	Financial Assets				
		(i) Trade receivables	13,839.62	-	13,839.62	No Impact
		(ii) Cash and cash equivalents	401.35	-	401.35	No Impact
		(iii) Bank balances	919.05	-	919.05	No Impact
		(iv) Loans and Advances	435.12	-	435.12	No Impact
		(v) Others Financial Assets	468.81	-	468.81	
	(c)	Other current assets	1,773.95	(39.65)	1,734.31	Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Total current assets	**28,130.19**	**20.46**	**28,150.65**	
		Total Assets	**41,873.82**	**20.46**	**41,894.28**	
EQUITY & LIABILITIES						
	Equity					
	(a)	Equity Share capital	1,838.02	-	1,838.02	No Impact
	(b)	Other Equity	19,999.23	505.11	20,504.34	Dividend and Dividend tax impact , Adjustments relating to reserve on inventory
		Total equity	**21,837.25**	**505.11**	**22,342.36**	
	Liabilities					
(1)	Non-current Liabilities					
	(a)	Financial Liabilities				
		(i) Borrowings	709.81	-	709.81	No Impact
	(b)	Provisions	303.50	83.72	387.22	Reclassification
	(c)	Deferred tax liabilities (Net)	844.13	-	844.13	Reclassification
		Total non-current liabilities	**1,857.44**	**83.72**	**1,941.16**	
(2)	Current Liabilities					
	(a)	Financial Liabilities				
		(i) Borrowings	7,581.93	-	7,581.93	No Impact
		(ii) Trade payables	5,816.30	-	5,816.30	No Impact
		(iii) Other financial liabilities	2,422.45	(74.84)	2,347.62	Reclassification
	(b)	Provisions	460.25	(451.32)	8.93	Reclassification
	(c)	Liabilities for current tax (net)	410.64	(42.21)	368.43	Reclassification
	(d)	Other current liabilities	1,487.55	-	1,487.55	No Impact
		Total current liabilities	**18,179.13**	**(568.37)**	**17,610.76**	
		Total Equity and Liabilities	**41,873.82**	**20.46**	**41,894.28**	

C. Reconciliation of Total Comprehensive Income 31 March 2017 **(Rs. In Lacs)**

Particulars			Indian GAAP	Effect of transition	Ind AS	Note
(1)	**Revenue**					
		Revenue from Operations	42,457.70	446.53	42,904.22	Reclassification
		Other Income	704.37	(493.61)	210.77	Reclassification
		Total Revenue	**43,162.07**	**(47.08)**	**43,114.99**	
(2)	**Expenses**					
		Cost of materials consumed	22,534.45	-	22,534.45	No Impact
		Changes in inventories of finished goods, stock-in-trade and work-in-progress	950.09	(60.11)	889.98	Adjustments relating to reserve on inventory
		Employee benefits expense	4,268.35	(136.52)	4,131.83	Reclassification
		Finance costs	1,643.23	8.12	1,651.35	Reclassification and Adjustments relating to processing fees of borrowings as per effective rate of interest method.
		Depreciation and amortisation expense	1,279.80	-	1,279.80	No Impact
		Other expenses	9,302.78	(0.04)	9,302.74	Reclassification
		Total Expenses	**39,978.71**	**188.56**	**39,790.15**	
		Profit/ (loss) before exceptions items and tax	**3,183.36**	**141.48**	**3,324.84**	
(3)	**Tax Expense**					
		(1) Current tax	1,005.58	30.97	1,036.55	Reclassification
		(2) Deferred tax	123.62	-	123.62	No Impact
		Profit/(loss) for the year	**2,054.17**	**110.51**	**2,164.67**	
	Other Comprehensive Income		-	4.20	4.20	Reclassification and Adjustments relating to Foreign currency translation reserve
	Total Comprehensive Income for the year		**2,054.17**	**114.71**	**2,168.87**	

41 ACQUISITION OF SUBSIDIARY - SHAKTI ENERGY SOLUTIONS PVT. LTD. (SESPL)

On 07 March 2018, the SPIL acquired 100% of the shares and voting interests in SESPL. As a result, the SPIL due to equity interest in SESPL, obtaining control of SESPL.

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Taking control of SESPL will enable the SPIL to expand its business in the product of drips & other related products. The acquisition is also expected to provide synergy to the business of Shakti group companies. The SPIL also expects increase in to the Group's results in future.

A Consideration transferred **(Rs. in Lacs)**

Particulars	Amount
Cash	711.21
Total Consideration transferred	**711.21**

B Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired & liabilities assumed at the date of acquisition (i.e. 31st March 2018).

(Rs. in Lacs)

Particulars	Amount
Property, plant and equipment	238.39
Capital work-in-progress	21.95
Other non current financial assets - loans & advances	261.24
Other non current assets	5.56
Inventories	12.36
Cash and cash equivalents	33.92
Bank Balance other than cash & cash equivalents	252.77
Other financial assets	0.25
Other currrent assets	35.46
Deffered tax & current tax liabilities (Net)	(0.32)
Trade payables	(104.72)
Other financial liabilities	(3.19)
Other current liabilities	(13.17)
Total identifiable net assets acquired	**740.50**

C Calculation of Capital Reserve **(Rs. in Lacs)**

Particulars	Amount
Consideration transferred	711.21
Non Controlling Interest	-
Fair value of identifiable net assets	740.50
Capital Reserve	**29.29**

SHAKTI PUMPS (INDIA) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

42 ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER REVISED SCHEDULE III OF THE COMPANIES ACT, 2013

(Rs. 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
a)	**Parent**				
	Shakti Pumps India Limited	94.50%	23,967.83	80.20%	2,735.71
b)	**Subsidiaries**				
	Indian				
	Shakti Energy Solution Pvt. Ltd	2.92%	740.50	-	-
	Foreign				
	Shakti Pumps LLC, USA	3.16%	802.74	8.12%	276.82
	Shakti Pumps FZE, UAE	-0.91%	(232.03)	11.43%	389.74
	Shakti Pumps Pty Limited, Australia	0.33%	84.14	0.26%	8.87
c)	**Minority Interest**				
	i) Indian	-	-	-	-
	ii)Foreign	-	-	-	-
	Total	**100%**	**25,363.17**	**100%**	**3,411.14**

42.1 The company incorporated wholly owned subsidiary company in Shanghai, (China), for expansion of its business. The Board of directors in the meeting scheduled on 29th Jan. 2018 has approved for investment upto Rs. 10 Crs in the company by way of equity shares of the company. Operations of the company not started as on 31st March 18.

43 Previous years figures have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

44 Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

In terms of our report attached

For Modi Manoj & Co.
Chartered Accountants
FRN : 030165N

For and on Behalf of the Board

Manoj Modi
(Proprietor)
(M.No.524225)

Dinesh Patidar
(Chairman and Managing Director)
(DIN 00549552)

Ramesh Patidar
(Executive Director)
(DIN 00931437)

Place : Pithampur
Date : 15 May, 2018

Ravi Patidar
(Company Secretary)

Akhilesh Maru
(Chief Financial Officer)

SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327
Registered Office: Plot No. 401, 402 & 413 Sector III, Industrial Area,
Pithampur Dist. Dhar (M.P.) - 454774
Email: cs@shaktipumpsindia.com

PROXY FORM MGT-11

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

Name of the member(s)	
Registered address	
E-mail ID	
Folio No/Client ID	
DP ID	

I/We, being the member(s) of .....Shares of the Shakti Pumps (India) Limited, hereby appoint:

1. Name: ..... Address: .....

   Email Id: ..... Signature: .....or failing him

2. Name: ..... Address: .....

   Email Id: ..... Signature: .....or failing him

3. Name: ..... Address: .....

   Email Id: ..... Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the **Thursday, September 27, 2018** at **12.30 P.M.** at the Registered Office of the Company, Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur-Dist. Dhar (M.P.)- 454774, and at any adjournment thereof in respect of such resolutions as are indicated in the box below.

S. No	RESOLUTIONS		
Ordinary Business		**For**	**Against**
1	Adoption of Financial Statements for the year ended March 31, 2018.		
2	Approval of final dividend for the year ended March 31, 2018.		
3	Re-appointment of Mr. Ramesh Patidar (DIN:-00931437), who retires by rotation.		
4	Appointment M/s. PGS & Associates Chartered Accountant as Statutory Auditors and fixing their remuneration.		
Special Business			
5	Ratification of remuneration payable to M/s. M.P. Turakhia & Associates, Cost Auditor of the Company.		
6	Re-appointment of Mr. Dinesh Patidar (DIN:00549552) as Managing Director for a period of 3 (Three) consecutive years from 01st September, 2018 to 31st August, 2021.		

....

Signature of Shareholder **Signature of Proxy holder(s)**

SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327
Registered Office: Plot No. 401, 402 & 413 Sector III, Industrial Area,
Pithampur Dist. Dhar (M.P.) - 454774
Email: cs@shaktipumpsindia.com

ATTENDANCE SLIP

23rd Annual General Meeting on **Thursday, September 27, 2018** at **12.30 P.M** at the Registered Office of the Company;-

DP/ID NO		**Folio No.**	
Client Id		**No. of shares held**	

Mr./Mrs./Miss,

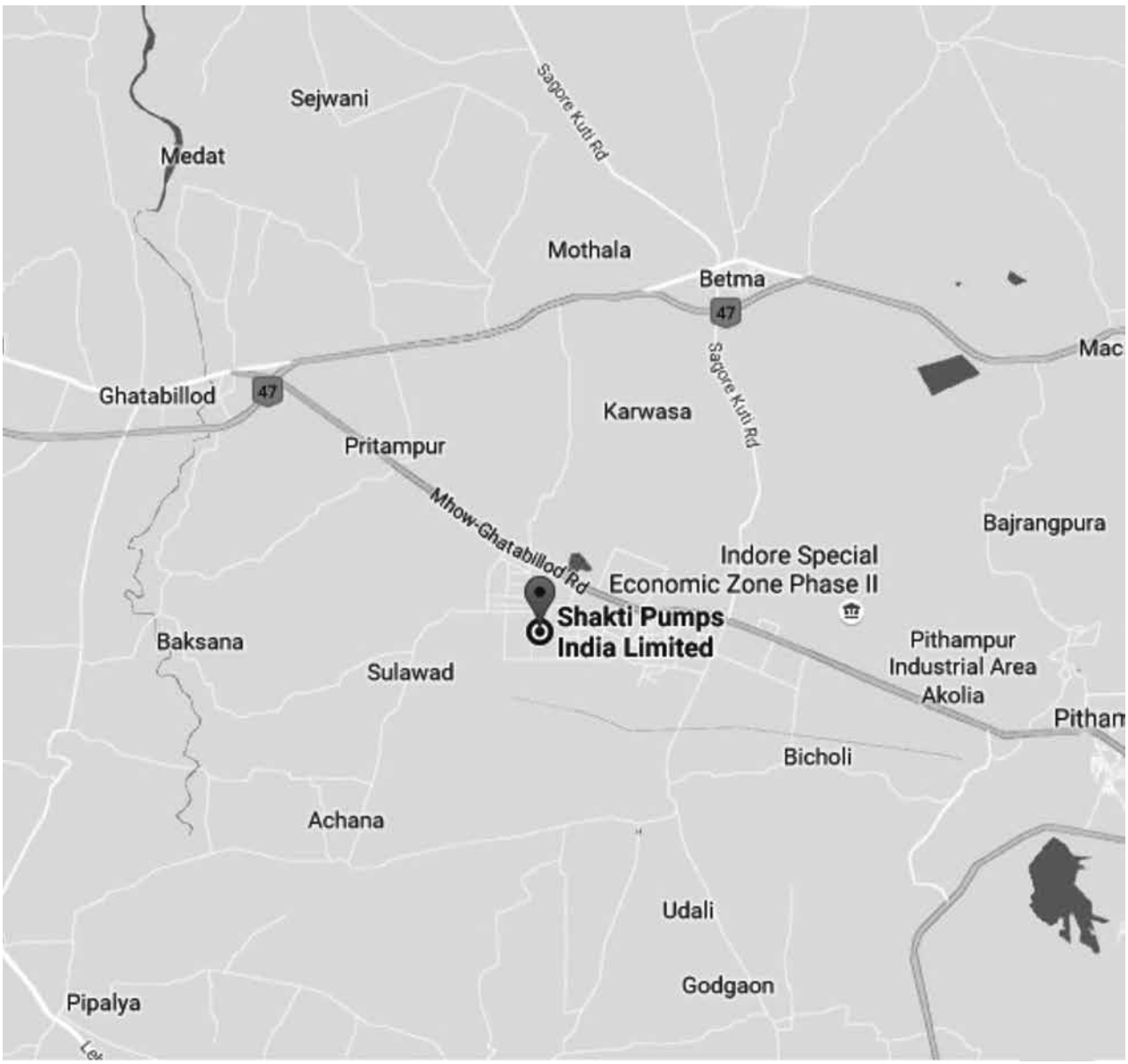
I certify that I am registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 23rd Annual General Meeting of the Company held on **Thursday, September 27, 2018** at the Registered Office of the Company situated at Plot No. 401, 402 & 413, Industrial Area, Sector-III, Pithampur Dhar-(M.P.) at **12.30 P.M.**

Proxy's Name in Block letters	
Member's/Proxy's Signature	

NOTES: -

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

ROAD MAP


Sejwani
Medat
Sapore Kuti Rd
Mothala
Betma
47
Mac
Ghatabillod
47
Karwasa
Sapore Kuti Rd
Pritampur
Mhow-Ghatabillod Rd
Bajrangpura
Indore Special
Economic Zone Phase II
Shakti Pumps
India Limited
Baksana
Sulawad
Pithampur
Industrial Area
Akolia
Pithan
Bicholi
Achana
Udali
Godgaon
Pipalya

PUMPING LIFE

SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327
Plot No. 401, 402 & 413 Sector III, Industrial Area,
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Conceptualised, designed and developed by **Valorem Advisors** - www.valoremadvisors.com