SHAKTI®

PUMPING LIFE

Date: -03.09.2019

To,
The Manager,
Listing Department
The National Stock Exchange of India Ltd.
Exchange plaza, BKC, Bandra (E)
Mumbai-MH 400051.

REF: - (ISIN- INE908D01010) SCRIP CODE BSE-531431, NSE Symbol -SHAKTIPUMP

Sub: -Annual Report for the Financial Year ended March 31, 2019.

Dear Sir,

Pursuant to regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith the Annual report for the Financial Year 2018-19.

Further, we have dispatched physical copy of Annual Reports to 2505 shareholders on 02.09.2019, whose email id was not registered with their Depositor Participant.

You are requested to kindly take above information on record.

Thanking you

Yours faithfully
For Shakti Pumps (India) Limited

SHAKTI PUMPS (INDIA) LIMITED

Ravi Patidar
Company Secretary

THE WORLD'S FIRST COMPANY TO PROVIDE SOLAR-POWERED DIGITAL ENERGY SOLUTIONS

Shakti Pumps enters an exciting new phase of its existence

SHAKTI®
PUMPING LIFE

SHAKTI PUMPS (INDIA) LIMITED
ANNUAL REPORT 2018-19

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48.25%
Promoter's holding, March 31, 2019

4.27%
Institutional holding, March 31, 2019

1500+
Team size, March 31, 2019

600+
Domestic dealer network, March 31, 2019

550+
Export dealer network, March 31, 2019

728.5
Market capitalization, March 31, 2019 (Rs. crore)

350+
Authorised service centers

5,00,000
Pump sets
Annual pump manufacturing capacity

1,200
Product variants

138.00
Exports (Rs. crore), 2018-19

Forward-looking statement: In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 'anticipates', 'estimates', '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 our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear 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.

The Indian Prime Minister Narendra Modi, the solar pump and Shakti Pumps

"We need to understand the problems of the farmers which is mostly due to the shortage of water. This happens due to less availability of electricity. If we can make sure that each and every farmer gets access to solar pumps, then they themselves will adopt micro-irrigation process. This will not only reduce the irrigation problem of the farmers but will also reduce the input cost of the farmers. This will also save water. Solar pumps will benefit the farmers in many ways."

The big messages of this Annual Report

We are evolving from a short-term objective to a multi-decade vision

1

We are extending from component manufacture to holistic business solutions

2

We are extending from a small focus to focusing on a large building block of human existence (water and energy)

3

We are evolving our vision from water for irrigation to water for drinking needs

4

We are extending from a small space into a large and under-penetrated sector

5

We are extending from an investment phase to one of sustainable payback

6

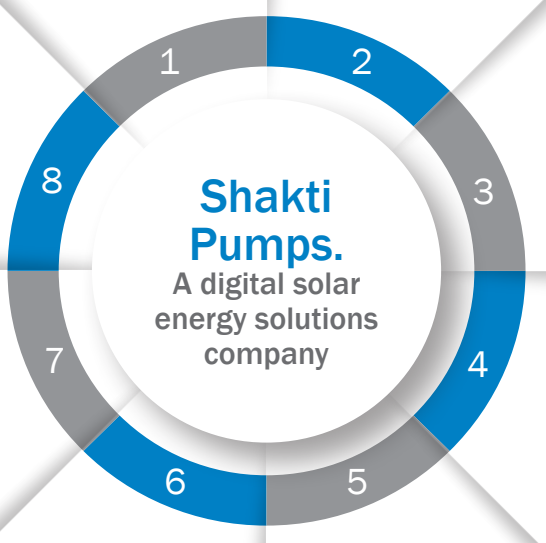
Our growing list of customers

Internet of Things: Shakti Pumps' power electronics-based products are mainly powered with the Internet of Things. With the help of IOT, the device's operating parameters and location can be monitored in real time, the device can be controlled and live data reports can be extracted whenever needed.

Solar invertor: To address the increasing power demand in the household and industry, Shakti Pumps offers solar powered invertor in various power ratings. This invertor traps the available energy from the sun and converts it for domestic and commercial use. This is done with accurate MPP tracking and customer specific designs with the help of the in-house manufacturing and Research & Development teams.

Digital pump: Being the leader in the solar segment across the country, Shakti Pump's Digital Solar Pump operates completely on solar power. This system can run various combinations of motors and pump sets solely on solar power. This device can be remotely monitored and controlled.

Stainless steel submersible pump: Market leadership; virtually all components manufactured in-house.



Solar panel: Only outsourced product in the overall solution.

On-grid invertor: Converts solar energy into electrical energy transmitted to the grid.

Hybrid invertor: Hybrid invertor combines the solar-powered invertor technology with other energy sources. It facilitates the pure AC power fed to the user either through the grid or solar or DG set with customised battery backup available according to the requirements of customers. As this product is solar powered, it can also feed power back to the grid (using net metering) in case of the available solar power is not fully consumed.

Universal controller: Universal controller enables the customers to have single power electronics controller for various applications such as driving motor pumps, threshers, fodder cutter etc along with feeding the remaining power to the grid. Therefore, this controller is an all-in-one controller, which caters to the various needs of customers.

Passion @ Shakti

Protecting our intellectual capital

What makes Shakti Pumps the only serious stainless steel submersible pumps company in India and the second largest in the world for a number of years running?' is a question we have been repeatedly asked.

We believe that we have built an effective advantage through our well-guarded intellectual capital. This edge comprises a family of 10,000 dies that are used for the various components that go into a stainless steel pump. These dies (manufactured by a group company) are not marketed to any external customer.

Besides, the Company manufactures every single of the 35,000 components and sub-components that go into a stainless steel submersible pump. The entire eco-system, which would normally have existed outside the Company, has been entirely captured within.

The fusion of cutting-edge research and a captive inventory of dies and components has combined to transform Shakti Pumps into one of the most exciting solar submersible pump companies in the world.

Research-led engineering Company

At Shakti Pumps, we have always been a research-led engineering solutions Company.

In the Nineties, when much of the country largely exported low-value fabricated hardware products, Shakti Pumps invested in cutting-edge research. The Company embarked on exports from 1997 onwards, one of the first to do so in its sector.

A decade later, when the number of monoblock pump exporters had increased, Shakti Pumps readied for its next growth stage. The Company deepened its research in stainless steel submersible pumps. It increased its captive component manufacturing capability to 100%, created the entire product eco-system in-house, enhanced product efficiency and positioned itself as a submersible pump 'supermarket' (0.5 HP to 250 HP).

The result: the Company emerged as the second largest global manufacturer of stainless steel submersible pumps with a sales presence in more than 100 countries.

Passion @ Shakti

From manufacturer to consultant

At Shakti Pumps, the biggest asset in our business is not found in our Balance Sheet.

This asset – trust – has helped us extend our personality from a manufacturer into a consultant.

Due to our rich experience in motor capabilities, we are well-placed to advise customers on the use of the right submersible pump to suit their needs.

The result is that we combine a number of complex customer needs – height of water transfer, quantum of water needed, desired water flow, electricity availability, cost of electricity – to advise customers on the right pump from within our 'supermarket' of submersible pump choices through our mobile app, or web-based intervention or call centre.

The result: we advise customers on the right kind of pump – not necessarily the most expensive – to address their needs. The most enduring. The most compatible. The one offering the highest price-value.

Which explains why, when a customer works with us the first time, there is a higher likelihood of repeat business being generated – either through the Company or through a reference.

Earning a 'supermarket' respect

At Shakti Pumps, a number of customers prefer to work with us because we provide them with the convenience of a 'supermarket'.

In our business, choice and range strengthen our supermarket positioning.

Most customers believe that when they work with us, they can derive the benefit of our vast range of 10,000 dies and 1,200 pumps developed over two decades. These pumps address virtually all major applications across various sectors.

This range makes it possible for customers to be serviced at a single location.

Reinforcing our respect as a solution provider. Enriching our respect as a 'university'. Strengthening our recall as a destination where customer problems are transformed into customer delight.

Addressing widening applications

There was a time when Shakti Pumps was only known as an agricultural pumps company.

By the virtue of its engineering competence with deep insights into energy, electronic and water management, Shakti Pumps extended its applications.

From the agricultural to the commercial / industrial.

From drawing subterranean water to boosting it vertically across multi-storeyed complexes.

The result is that whenever a demanding customer needs a specialised water-pumping solution, the selection of the vendor narrows down to Shakti Pumps.

Because customers recognise that when it comes to a research-led, engineering-backed product, Shakti's energy efficient pumps provide an unmatched long-term peace of mind.

Effective and efficient

The farmer is the biggest votary of the Shakti Pumps product.

Not because the farmer understands engineering complexity. Or is able to analyse the insides of a submersible pump or is able to explain the difference between various pump categories.

The farmer understands something more practical – time.

When the farmer invested in a cast iron submersible pump, he discovered that the water throughput of 10,000 litres consumed 60 minutes.

When the same farmer invested in energy-efficient pumps manufactured by Shakti Pumps, the time declined sharply to just 22 minutes.

In a world where labour costs are rising and labour availability declining, the solar submersible pump has emerged as a productivity-driver.

Evolving into an exciting proxy of the solar pumps sector

Until a few years ago, Shakti Pumps supplied submersible pumps for the manufacture of solar panel and system integrated pumps. Since most solar pumps were required to be manufactured with stainless steel equivalents, the Company could have focused on scaling the manufacture of stainless steel pumps. The Shakti Pumps management went one step ahead: it extended to the manufacture of various products that supported the overall solar pumps solution. The result is that the Company manufactures a number of components that go into a solar pump (except for the solar panel), accounting for the largest wallet share. This makes the Company among the biggest beneficiaries of the 'greening' of India's agricultural sector.

9 things you need to know about Shakti Pumps India Limited

01 Background: The Company started its journey in 1982 as a small-scale unit in Pithampur. It has grown into a reputable global brand in the solar pumping and motors business. Today, the Company provides water-based solutions in more than 100 countries.

02 Promoter: The Company is managed by Mr. Dinesh Patidar, Chairman and Managing Director.

03 Presence: The Company is present in more than 100 countries.

04 Manufacturing facility: The Company's headquarters are in Pithampur (Madhya Pradesh). The manufacturing units are located in Pithampur DTA and Pithampur SEZ (Indore, Madhya Pradesh).

05 Products: The Company manufactures solar pumps, submersible pumps, submersible motors, end suction pumps, vertical multi-stage centrifugal pumps, open well pumps, pressure booster pumps, self-priming pumps and immersible pumps among others. The Company also manufactures power electronic products.

06 Dealers: The Company's products are marketed through a network comprising more than 1150 dealers in India and abroad.

07 Employees: The Company employs more than 1500 employees within India and across the world.

08 Listing: The Company is listed on Bombay Stock Exchange and National Stock Exchange of India.

09 Exports: The Company is among prominent pump exporters from India. It exports products to more than 100 countries.

Milestones

1982
Started as SSI unit by the Indore-based Patidar Family

1986
Commenced a full-fledged manufacturing unit

1989
Received BIS Certificate

1995
Became a public limited company; listed on BSE

1998
Received ISO 9001:2000 certification: focus on direct exports

2003
Received quality marking system 'CE mark'. Exports extended to 20 countries

2006
Received One-Star Export House Status, Re-certification ISO 9001:2000

2007
Implemented SAP across verticals; geographical footprint across 50 countries

2008
Commissioned SEZ unit; expanded DTA unit (capacity 4.5 lac pumps)

2009
First company to receive 5-Star rating from BEE (pumping segment)

2010
Introduced new booster pumps and resin-cooled motors; widened pump range up to 250HP

2012
Completed separate booster pump unit; launched solar pumping solutions

2013
Awarded Best SEZ Exporter – ECGC and Outstanding Pump Company (EPC award)

2013
Amitabh Bachchan, Indian film icon, became brand ambassador

2014
Corporate Excellence Award at National Conclave 'Make in India' for Excellence in Industry

2015
Received ECGC - D&B Indian Exporter's Excellence Award 2015 - Best Focus Product Exporter

2015
Received ISO 14001:2004 and OHSAS 18001:2007 certifications

2016
Emerged one of the world's largest solar pump manufacturers

2017
Achieved the vision of zero liquid discharge and zero carbon footprint

2018
Received R&D recognition from Government of India, Ministry of Science & Technology (DSIR)

Awards and accolades

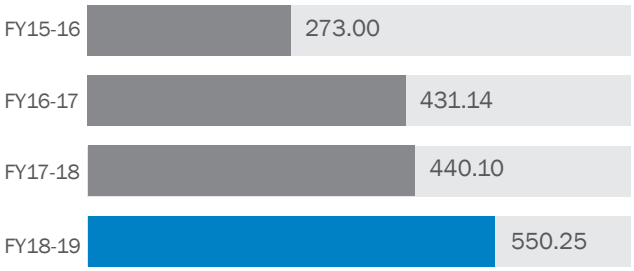
- The Company was recognised as the Best SEZ Exporter by ECGC in 2012.
- The Company was recognised as an Outstanding Pump Company by EPC in 2012.
- The Company was awarded with Indian Exporter's Excellence Award in 2012.
- The Company won Indian Power brand at the Glam Me Awards in 2013.
- The Company was awarded the Trophy for Excellence at the Make in India National Conclave 2014 in the 'Excellence in the Field of Industry' category.
- The Company was bestowed the 'Special Contribution' award by the Engineering Export Promotion Council in the 'Large Enterprise' category for being the 'Highest Exporter in Thrust Markets for Thrust Products' for 2014.
- The Company was honoured with the Udyog Ratan Award by the Institute of Economic Studies (New Delhi) and Excellence Award by the Institute of Economic Studies (Bangalore) for 2014.
- The Company was conferred the ECGC – Dun & Bradstreet Indian Exporter's Excellence Award 2015 in the 'Best Focus Product Exporter' category.
- The Company received the award of FMPCCI Best Performer award in Research and Development in large scale industries in 2017.
- The Company was bestowed with the Solar Energy Leadership Award by Madhya Pradesh Leadership Awards in 2019.
- The Company received the Best Employer Brand Award in 2019.
- The Company received a certificate of Energy Auditing & Good work done in implementing the recommendations in pumping installations from South Central Railway in 2019.

Shakti Pump. Indian by origin.
Global by presence.

RUSSIA
FAROE ISLANDS
SWEDEN
FINLAND
NORWAY
DENMARK
IRELAND
UNITED KINGDOM
GERMANY
POLAND
BELARUS
UKRAINE
KAZAKHSTAN
MONGOLIA
FRANCE
ROMANIA
PORTUGAL
SPAIN
ITALY
GREECE
TURKEY
AZORES (PORTUGAL)
MALTA
SYRIA
MADEIRA ISLAND (PORTUGAL)
MOROCCO
TUNISIA
IRAQ
IRAN
PAKISTAN
CHINA
JAPAN
NORTH KOREA
SOUTH KOREA
CANARY ISLANDS (SPAIN)
ALGERIA
LIBYA
EGYPT
SAUDI ARABIA
NEPAL
BHUTAN
BANGLADESH
MYANMAR (BURMA)
LAOS
INDIA
MAURITANIA
MALI
NIGER
CHAD
CAPE VERDE
ERITREA
YEMEN
THAILAND
CAMBODIA
VIETNAM
PHILIPPINES
GUAM
SUDAN
ANDAMAN AND NICOBAR ISLANDS (INDIA)
SRI LANKA
NIGERIA
CENTRAL AFRICAN REPUBLIC
ETHIOPIA
LIBERIA
UGANDA
SOMALIA
MALAYSIA
KENYA
DEMOCRATIC REPUBLIC OF THE CONGO
GABON
INDONESIA
PAPUA NEW GUINEA
SOLOMON ISLANDS
SEYCHELLES
TANZANIA
COMOROS
MALAWI
ANGOLA
ZAMBIA
MOZAMBIQUE
MADAGASCAR
VANUATU
FIJI
NAMIBIA
BOTSWANA
ZIMBABWE
MAURITIUS
REUNION
NEW CALEDONIA (FRANCE)
AUSTRALIA
SWAZILAND
LESOTHO
SOUTH AFRICA
TASMANIA (AUSTRALIA)
NEW ZEALAND
KERGUELEN ISLAND (FRANCE)
HEARD ISLAND (AUSTRALIA)

Performance highlights

Higher revenues



Revenues, (Rs. cr)

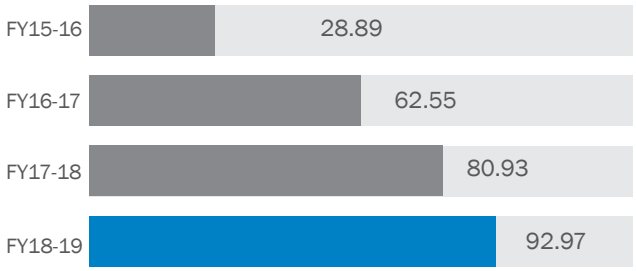
Definition
Sales growth net of taxes.

Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products and superior technologies.

Performance
Our aggregate sales increased 25.03% from Rs. 440.10 cr in 2017-18 to Rs. 550.25 cr in 2018-19.

Value impact
Creates a robust growth engine on which to build profits.

Growing profits



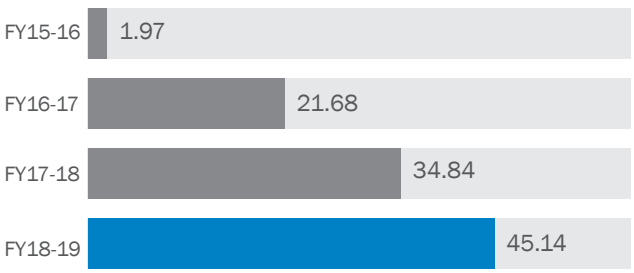
EBITDA (Rs. cr)

Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure
It is an index that showcases the Company's ability to optimise operating costs, which can be easily compared with the retrospective average and sectoral peer.

Performance
The Company's EBITDA grew every single year through the last four years. The Company reported a 14.88% increase in its EBITDA in 2018-19 – the outcome of painstaking team efforts in improving efficiency.

Net profit (including OCI)



Net profit (Rs. cr) including OCI

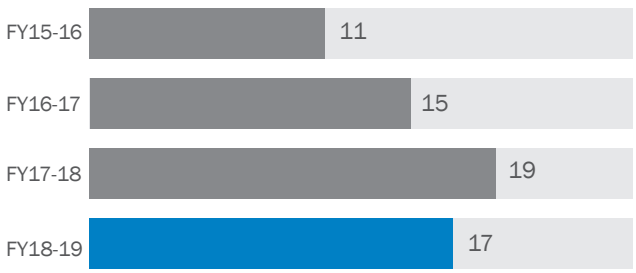
Definition
Profit earned during the year after deducting all expenses and provisions.

Why we measure
It highlights the strength of the business model in enhancing value for shareholders.

Performance
The Company's net profit grew every single year through the last four years. The Company reported a 29.56% increase in its Net profit in 2018-19 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact
Adequate cash pool available for reinvestment, accelerating the growth engine.

EBITDA margin



EBITDA margin (%)

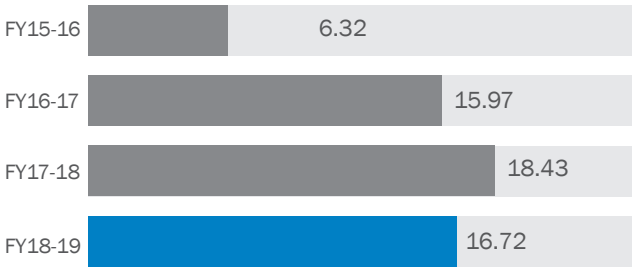
Definition
EBITDA margin is a profitability ratio used to measure the effectiveness of a company's business strategy and operating efficiency. The higher the operating margin, the better for the Company.

Why we measure
The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
The Company reported 17% EBITDA margin in 2018-19.

Value impact
The Company has demonstrated adequate buffer, which, when multiplied by scale, has helped enhance the business surplus.

Return on capital employed



RoCE (%)

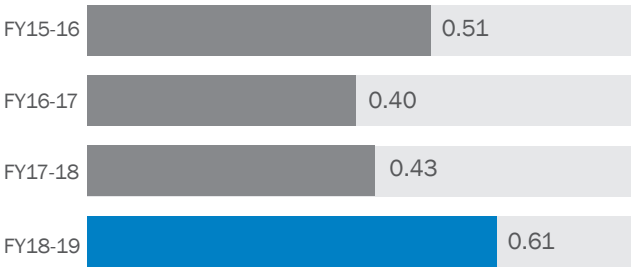
Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance
The Company reported a 171 bps decline in RoCE in 2018-19.

Value impact
Enhanced RoCE can potentially drive valuations and perception.

Gearing



Debt-equity ratio (times)

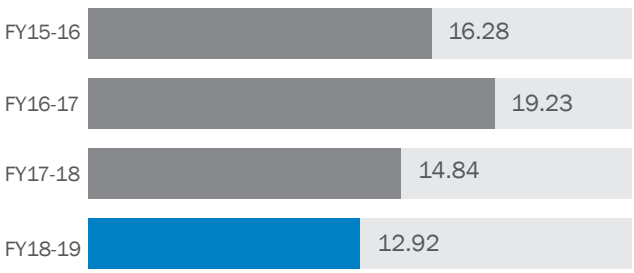
Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure
This is one of the defining measures of a company's financial health, indicating solvency.

Performance
The Company's gearing increased from 0.43 in 2017-18 to 0.61 in 2018-19. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

Value impact
Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in moderating debt cost.

Debt cost



Average debt cost (%)

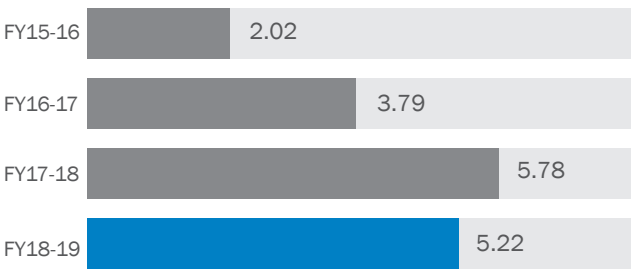
Definition
This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

Why we measure
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

Performance
The Company's debt cost has progressively declined from a peak 19.23% in 2016-17 to 12.92% in 2018-19. We recommend that this ratio be read in conjunction with our rising interest cover (rising, indicating higher liquidity).

Value impact
Enhanced cash flows; strengthened credit rating for successive declines in debt cost.

Interest cover



Interest cover (times)

Definition
This is derived through the division of EBITDA by interest outflow.

Why we measure
Interest cover indicates the Company's comfort in servicing interest, the higher the better.

Performance
The Company strengthened its interest cover from 2.02 times in 2015-16 to 5.22 times in 2018-19.

Value impact
Enhanced cash flows and superior liquidity.

Managing Director's overview

"We will be known more as a solar submersible pumps company that extended into power electronics. We will be respected more as a diversified digital power electronics company also present in the solar submersible pumps. We expect to be admired for the development of digital inverter motors that can be operated by a mobile app."

Agriculture has been close to my heart from childhood.

I have been exposed to water and electricity challenges faced by Indian farmers.

As a result, the concern for environment and energy efficiency was always my priority.

The convergence of power electronics, solar energy and stainless steel fabrication finally resulted in an unprecedented breakthrough addressing energy and water efficiencies.

The last leg of the solution (power electronics) would always provoke me contemplate cutting-edge product development. Shakti Pumps encountered a number of hurdles in commissioning a power electronic design centre in Central India from scratch with no prior experience.

If there is one feature that pulled Shakti Pumps through it was self-belief. We were competently placed in this regard. In our multi-decade journey, we had been exposed to a number of situations when it appeared that our growth prospects had plateaued out. On each of these occasions, we invested deeper in research, helping us reinvent our products, redefine our relevance and strengthen our business sustainability.

This commitment was showcased when the Company intended to extend its product towards power electronics. Rather than merely import the relevant technology, the Company embarked on a decisive game-changing initiative: it established a full-fledged R&D initiative in the cutting-edge area of electronics and control coupled with research collaborations with premium institutes like IIT Delhi and IISc Bangalore. The commitment was soon validated; the R&D unit was recognised by DSIR Ministry of Science & Technology, Government of India, in 2018.

The effectiveness of the Company's research commitment was soon evident. The Company's mass production facility was commissioned, stabilised and scaled. The Company successfully manufactured more than 10,000 units of VFDs around the highest quality and efficiency standards during the financial year under review. The result is that the indigenised product enhanced the effectiveness of the overall solar pumping solution system on the one hand and reduced imports on the other.

The innovative power electronics products manufactured by the Company have widened our operational versatility. The Company is capable of new generations of products addressing diverse applications like off-grid and on-grid solar irrigation, solar drinking water supply, variable speed motors and industrial process pumps. Besides, all our solutions and products are IoT-enabled, graduating what would have just been another standalone product into an active player in the larger eco-system. Besides, this extension has helped deepen our presence as a customer-centric organisation, committed to systemic environment integrity, sustainability, quality, reliability and durability.

This commitment to stay ahead of the curve has strengthened our brand as one of the leaders in the solar pumping sector in India and a respected player in several countries comprising USA,

Europe, Middle East and Africa.

This entire exercise of graduating from the mechanical to the automatic to the electronic has reinforced our respect as a responsive player delivering cutting-edge futuristic solutions.

Digital solutions company

The two important words in our positioning are 'digital' and 'solutions'. This is probably the first time these words are being used in connection with submersible pumps anywhere in the world.

The word 'digital' in our context stands for digital products being used in our comprehensive solution that enhance our reliability and convenience. In a world increasingly centred round the smartphone, connecting a solar submersible pump to a hand-held communication device will make it possible for a farmer to achieve the unthinkable: operate the pump, regulate water-flow to the fields without needing to be physically present there, control temperature and power, and the report of every minute, day, week, month and year is received. Moreover, if there is any network problem then the data will be sent from the bluetooth to the phone and the data will also be saved for the next five years. We believe that in a conventional business influenced largely by hands-on control, this convenience can bring out unprecedented transformation. By liberating the farmer from on-farm presence, we would be providing him / her with a rare opportunity to engage in strategic decision-making over routine matters.

The word 'solution' is also increasingly relevant. At Shakti Pumps, we have not merely connected the solar panel to the submersible pump; we have designed, innovated and manufactured complementary products – on-grid invertor, digital pump, digital invertor, hybrid invertor and universal controller - that provide a range of conveniences. The complement of products being manufactured by one company is possibly unprecedented in the global solar submersible sector, strengthening our recall around digital power electronics. We also believe that the solar extension of the solar pump provides a robust platform around which the Company can potentially grow its power electronics scale, competence and economies.

This development represents the beginning of an evolution that will transform our personality into a strong digital power electronics company.

We intend to create a market for a digital solar submersible pump and account for a large value chain of components going into it. The size of our digital power electronics business should be twice the size of our pumps business across the foreseeable future.

The result is there will soon come a time when we will be known less as a solar submersible pumps company that has extended into power electronics and be known more as a broadly diversified digital power electronics company also manufacturing solar submersible pumps.

In the last few years, we evolved our submersible pump into a solar equivalent and graduated the mechanical product into a power electronics hybrid that now provides our business with a competitive edge.

This transformation shall make it possible to consistently outperform the growth of the pumps sector. It took Shakti Pumps 34 years of experience to manufacture motors and pumps in this position We believe that we will compress this growth in a shorter time span and emerge as a Rs. 5,000 cr revenues company by 2022-23 (80% revenues derived from the integrated solar solution).
Our best is round the corner.

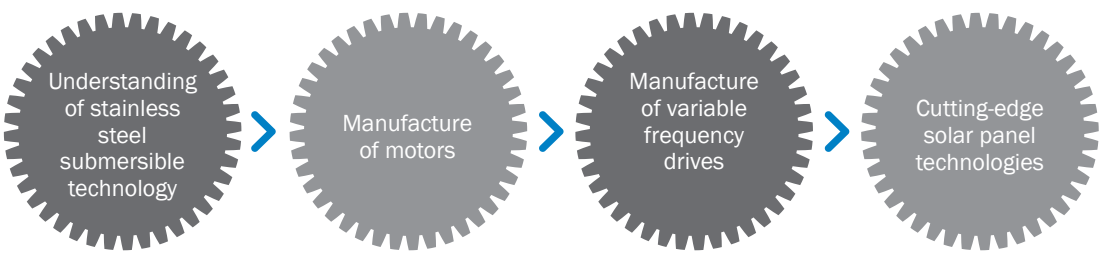
Dinesh Patidar,
Managing Director

Our digital power electronics business should be twice the size of our pumps business across the foreseeable future.

Water-pumping solutions address 27% of India's total electricity consumption, any improvement in which could have a positive national impact.

550.25
Rs. cr, turnover in 2018-19

How we have graduated from one product to another



Shakti Pumps has evolved into a digital solar energy solutions provider.

The Company commercialised digital products used in solar submersible pumps

Widened our addressable market

Extended our product to an Internet of Things application

Creating a market; capturing a larger wallet share

Extended our value chain to accelerate our growth

Our agenda for 2019-20

- Capitalise on the government's landmark KUSUM project by generating the largest order inflow
- Substantially increase revenues, taking the Company to the next level
- Leverage our existing capacity headroom to scale production with speed
- Strengthen the banking consortium to enhance our funding access
- Protect existing margins while strengthening our turnover

How we have consistently transformed our pride, product and personality

We addressed limited agriculture applications until a few years ago.	**We** are now poised to carve out presence in a larger addressable market across sectors.
We were a conventional pump with little product differentiation.	**We** graduated to the manufacture of submersible pumps marked by high energy efficiency.
We manufactured standalone submersible pumps for years.	**We** graduated to enhancing their compatibility with solar pumps – an integrated solution.
We were a focused manufacturer for a long period.	**We** graduated to prudent sectoral advocacy and responsible policy collaboration.
We focused initially on the compatibility of submersible pumps with solar panels.	**We** graduated to the manufacture of all components, enhancing our solar energy integration.
We manufactured a mechanical product for a considerable period.	**We** graduated to the manufacture of an 'intelligent' IOT-compatible digital solution.
We manufactured a product that provided conventional farm support for a long period.	**We** graduated to a product that promises to kickstart an agricultural revolution.
We manufactured a product that was for long treated as an expense.	**We** now manufacture an integrated product considered to be an investment with attractive payback.
We manufactured submersible pumps dependent on erratic power availability.	**We** now manufacture a product completely grid-independent.
We earlier made a submersible product that consumed finite resources.	**We** now manufacture a product that is conserving resources.

Cutting-edge digital research is driving the next round of our reinvention

At Shakti Pumps, we possess a rich track record in entering new business spaces. Over the last year, the Company made a research-led extension to enter the challenging space of electro-magnetic energy conversion. This pioneering extension helped the Company manufacture BLDC and PMSM motors for the first time in India at a commercial scale. The evolution is creditable because it has transformed theoretical knowledge into successful commercial products at a globally competitive cost.

Commitment

The Company created a culture of serious research in the area of power electronics and electro-mechanical energy conversion. These products are critical to a solar pumping solution. This successful initiative represents a commitment to design in India, manufacture in India and consume in India – a complete by indigenous solar pumping solution.

The transformation was catalysed by Rs. 6 cr investment in research. The Company intends to invest three times this outlay across two years. Research accounted for 1.1% of the Company's revenues in 2018-19.

During the year under review, the Company increased the number of research professionals, a base for sustainable commitment in new product development. In 2018-19, there were 54 employees in research and development team of the Company. The competencies comprised electrical, electronic, mechanical, power electronic, digital communication, Android applications, product design, artists, sheet metal fabrication and 3D printing capabilities – a futuristic laboratory with a rich cross-flow of competencies.

The Company reinforced its commitment to commercialise a family of related products (PMSM motors, BLDC motors, line start synchronous motors and energy-efficient induction motors) that represent a complete pumping solution.

The Company strengthened its credentials with a series of certifications:

- UL Certificate
- North American Component Certified
- Certificate of Compliance
- European Conformity Certified
- ISO certifications
- ISI Mark Certifications
- Certified as India's First 5 Star Rated Pumps

Outcomes

The effectiveness of the Company's research was reflected in successful product indigenisation. The Company seeded a growing market through the import of VFD products that were subsequently indigenised, captively consumed and marketed to original equipment manufacturers.

The Company's successful transformation was endorsed by Department of Scientific and Industrial Research, which recognised Shakti Pumps as an R&D-led company with corresponding incentives for cutting-edge investments.

Outlook, 2019-20

The Company has outlined an ambitious target of generating Rs. 100 cr from the sale of power electronic products. The Company intends to maximise the offtake of 3HP and 5P VFDs, accelerate the launch of new products and widen the marketing network across a larger number of OEMs, retailers, exports and industrial consumers.

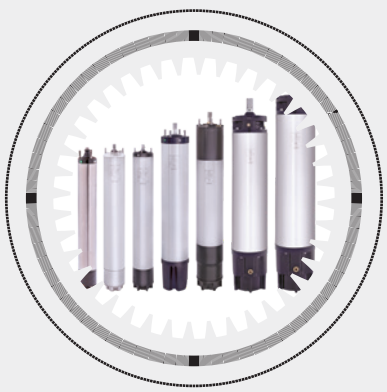
Successful case studies of the Company's new product development

Game-changing induction motor

The conventional induction motors is widely accepted as the principal cause of India's low power factor. In 2018-19, Shakti Pumps launched an advanced induction motor (S4RM) using indigenous design, positioned as a game-changer with the potential to halve India's T&D loss.

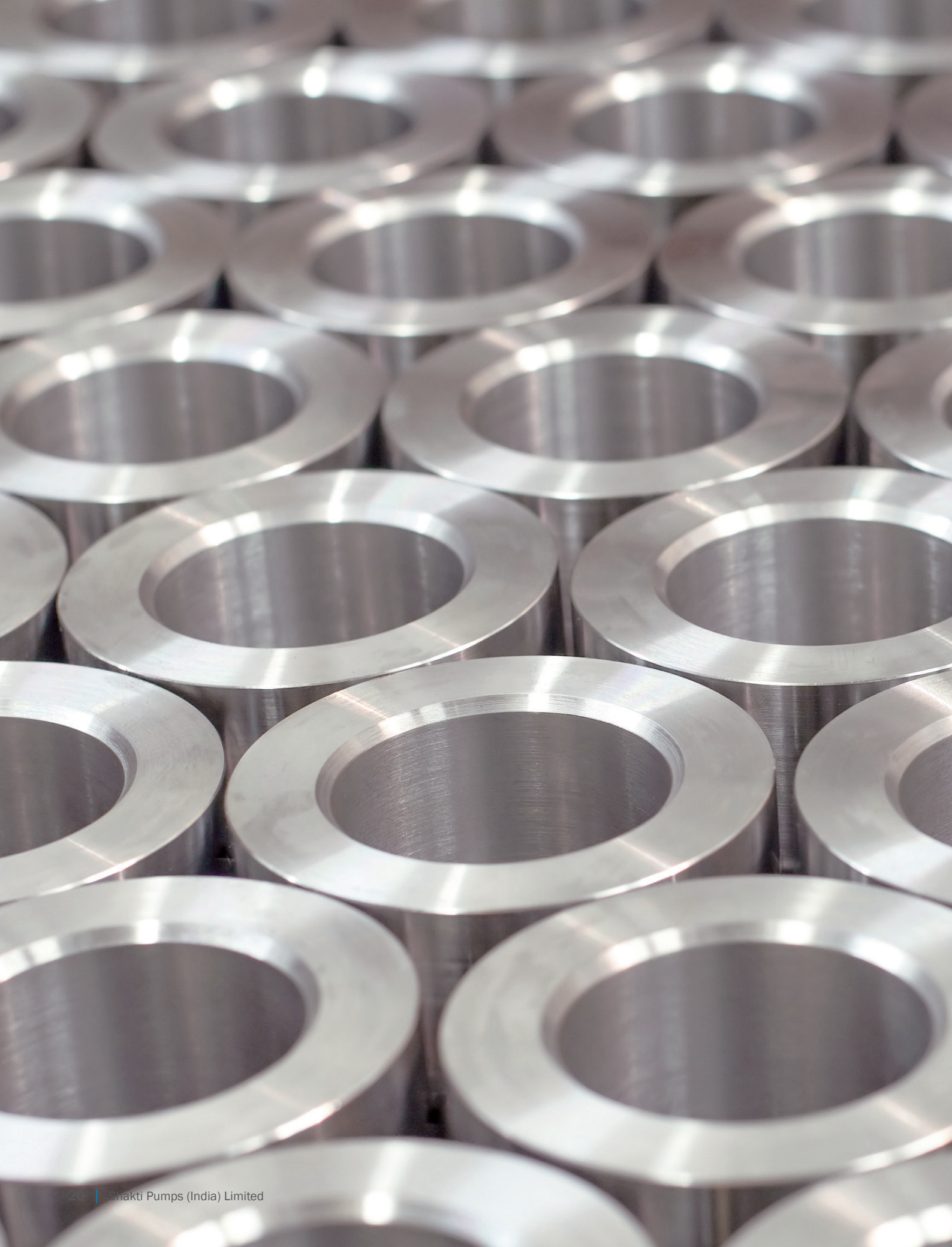
Smart digital starters

A number of electrical starters need to absorb sharp voltage spikes when being commissioned, affecting product health. Shakti Pumps launched smart digital motors to record these voltage spikes with corresponding insights into the reasons for the spikes and remedial action. The product provides for convenient remote monitoring. While most motors consume 5x of the current, this product consumes lower. The product possesses a soft stop facility to protect the water supply system.



Redesigned submersible motors

Shakti Pumps redesigned its large family of submersible motors for enhanced energy efficiency across its wide range (six inch borewell for 0.5 HP to 40 HP and 8-10 inch borewell for 50 HP to 250 HP). At a time when Indian efficiency norms have not been identified, the Company has already embraced global IEC standards.



Shakti Pumps.
At the right place and time for an inflection opportunity

At Shakti Pumps, we are excited by five over-riding realities.

One, the solar submersible pump is probably the fastest growing segment of India's pumps industry.

Two, the acceptance of this nascent product has been surprisingly fast.

Three, its possibilities in the Indian market are among the most attractive in the world.

Four, this represents the start of a multi-year growth cycle.

Five, this product can potentially strengthen farm profitability the world over.

At Shakti Pumps, we believe we are attractively placed to make this happen.

Most companies intending to address this space would require to commission submersible pump manufacturing capacities; Shakti Pumps already possesses sizable capacity of this core product.

Most companies would need to build a sizable capacity to generate attractive economies of scale; Shakti Pumps is already the leading energy efficient submersible pump manufacturing companies in India.

Most companies entering this space (or intending to grow their existing presence within) would need an energy-efficient argument around which to scale their brand and presence; Shakti Pumps has been engaged in the manufacture of energy-efficient stainless steel submersible pumps for more than 20 years.

Most companies would need to outsource a number of ancillary components when creating a solar submersible pump solution; Shakti Pumps manufactures a substantial part of an integrated solar submersible pump by component number and by value, strengthening its value addition.

Shakti Pumps possesses sizable stainless steel submersible pump capacity

Second largest stainless steel submersible pump manufacturing capacity in the world

Respected for established energy-efficiency

Integrated manufacturer; manufactures all components within

Shakti Pumps possesses a rich technology-led pioneering record

Shakti Pumps was among the first in the Indian pumps industry to use robotics in 2008

Benefit:
Faster process flow, enhanced precision

Shakti Pumps replaced the conventional painting procedure with cathode electro deposition in 2013

Benefit:
Paint life extended 20-fold compared to legacy techniques, enhancing product durability

Shakti Pumps was the first to switch from the manufacture of DC pumps to AC pumps in 2012

Benefit:
Rationalised costs and enhanced performance per watt

Shakti Pumps invested in SAP-administered inventory management (5,500 components) and cross-platform operations in 2008

Benefit:
Stronger inventory management and enhanced accountability

Shakti Pumps invested in an automated stamping process

Benefit:
Enhanced quality and self-reliance

Shakti Pumps developed and launched digital product complements to evolve into a digital power electronics company

Benefit:
Strengthened the Company's brand around the IoT and digital cutting-edge

The solar submersible pump can strengthen the global agricultural sector

At Shakti Pumps, the core of our integrated solution is the 5HP solar submersible pump.

The cost of this pump has declined from Rs. 6 lacs at one time to around Rs. 2,50,000, driven by a substantial decline in the cost of solar panels. This sharp decline has enhanced affordability, widening the market and laying the ground for the product to transform India's agriculture sector.

The time has come for a face-off between the normal cast iron submersible pump priced a little less than Rs. 1,00,000 and the solar submersible pump. At first glance, it would appear that the humble cast iron submersible pump is cheaper. However, when seen across the product lifecycle, the solar equivalent is not only cheaper but a game-changer for a number of reasons.

1

Saves precious farmer time

The farmer's daily engagement on the fields is dictated by the erratic availability of power from the state electricity grid, over which he has no control. The farmers works when the power is available; when it is not available, he must wait for the connection to be restored.

When a farmer works with a solar submersible pump, the reality is different. The power generating station is not a facility at a distance; it is a panel that sits within the farm and generates power predictably and sustainably every single day.

The result: the power is always available; the farmer can rise, work and rest predictably; the farmer can complete his work within a specified time; by transforming a significant farm input from a variable into a constant, the farmer can focus on enhancing efficiency.

2

Saves valuable ground water

The solar submersible pump helps the farmer rationalise water. When the farmer is unsure of about the timing and tenure of power (and hence water availability), he allocates all farm resources within a compressed time window as soon as the power becomes available. The inevitable result is flood irrigation where the water quantum provided to the crops is far in excess of what is necessary.

When the farmer is assured of abundant power availability through the solar pump, the first response is water moderation, applying only as much water as the crop needs and spreading this moderate allocation across the day. This is the experience we have seen over the last few years: the increased use of the solar submersible pump has helped moderate water consumption and catalysed crop health. The solar submersible pump then is not just a power provider; it is a farm profitability driver.

At a time when one of the biggest global challenges is water-stress, we believe the solar pump represents an effective solution.

3

Drives revenues

The solar submersible pump has helped achieve what farmers struggled with–adding new revenue streams.

The additional power generated by the farmer's solar submersible pump can be reverse-fed into the state electricity grid to earn tariff. What for long was considered a farm expense is now being interpreted as a revenue source. The result is that the solar submersible pump can play a critical role in doubling farm incomes by 2022.

4

Moderates national expenditure

There is also a national benefit arising out of the use of solar submersible pumps. In a number of remote geographies, taking power to a few power consumers is sub-optimal from a national investment point of view. The country needs to invest in extensive transmission infrastructure (poles and lines) to reach electricity to the last mile. In these instances, a solar submersible pump represents a saving of national resources. The aggregate one-time cost of providing these solar submersible pumps free to farmers would be considerably lower than the indicative cost incurred on laying a transmission network and proving free grid power to farmers. In view of this, a solar submersible pump provides a national solution to a multi-decade challenge of subsidising power supply for India's agriculture.

5

Eliminates T&D losses

The farm-based erection of a solar submersible pump addresses another long-standing challenge. The quantum of electricity generated and transmitted by India's power sector is seldom received at the terminal point. Legacy transmission infrastructure 'eats' into the quantum of power transmitted, often described as a transmission and distribution loss. In 2016-17, India's transmission and distribution loss was at a level of 21.42%. Transmission and distribution losses in India are among the highest in the world. The solar pump makes it possible to obviate the need for a transmission line by making the point of generation and consumption virtually the same. This makes the solar submersible pump effective in the moderation of T&D losses for power transmission to the country's farm sector.

Besides, by commissioning more solar powered pumps, India would stand to save Rs. 100 every year in transmission line maintenance costs per watt of energy generated.

The Indian government is investing in solar pumps in a bigger way

The potential of solar submersible pumps is not just about a development in the future; it is something that has begun to happen.

This sharp upsurge in the offtake of solar submersible pumps was driven by prominent government schemes funded by budgetary outlays. The Union Budget 2018-19 was balanced and announced different schemes supporting the domestic sector. In this budget, the Krishi Sinchai Yojna-Har Khet ko Pani project decided that around 96 deprived irrigation districts would be allocated around Rs. 2,600 cr. It was also decided that the centre would work with States to encourage farmers to install solar pumps to irrigate their fields. The Interim Budget of 2019-20 allocated Rs. 3,004.90 cr for the development of solar power projects including grid-interactive, off-grid and decentralised categories.

The Indian government allocated Rs. 45,000 cr in the Union Budget to fund a 30% subsidy for the purchase of solar pumps, indicating a market size of Rs. 1,50,000 cr, a substantial increase from the time when the entire market was estimated at a fraction of this number.

This central priority is also translating into States. The Chhattisgarh government proposed to replace 50,000 legacy pumps with the solar variety, making a Rs. 270 cr provision in its Budget.

There is a large private market for solar pumps as well. Nearly 2.75 million legacy submersible pumps (1.75 million off-grid and 1 million on-grid) are nearing the end of their productive lives; they should be ready for replacement by 2023.

Besides, there are 45 million submersible pumps across thousands of farms across the country that will need to be replaced across the foreseeable future – possibly by solar submersible pumps, creating a multi-decade opportunity.

India has about 21 million electric pumps. If only focused on some large States to solarise 20% of farm connections, capital subsidy from Central and State governments would be Rs. 35,000 cr each. Farm loans of Rs. 35,000 cr and farmer equity of Rs. 11,000 cr could be financed by banks against collateral of solar assets. We believe that the convergence of replacement and virgin deployment should make India possibly the largest emerging market for this product the world over.

The submersible pump.
A knowledge-driven engineered product

The solar submersible stainless steel pumps manufactured by Shakti Pumps are not just water solution providers; they are knowledge-driven engineered products.

One, the stainless steel pumps comprise precision fabrication technologies that make them sophisticated and efficient.

Two, the pumps are manufactured following a forward-looking investment in advanced Mazak technical machines, the largest such outlay in India's pumps sector.

Three, the Company possesses a wider capital equipment flexibility to address emerging generations of pumps, resulting in a quicker time-to-market.

Four, the Company invested in robotics in 2008, one of the first instances of such use in the country's pumps sector, translating into enhanced precision and productivity.

Five, the Company replaced the conventional painting process with cathode electro deposition starting 2013, extending paint life nearly 20-fold.

Six, the Company was the first to graduate the stainless steel pump from DC to AC, starting 2012.

Seven, the Company invested in SAP from 2008, making it possible to efficiently manage an inventory bandwidth of more than 5,500 components

Eight, the Company invested in the automated stamping process, representing the heart of a motor's efficiency.

Nine, the Company invested in the recruitment of ITI engineers and diploma holders.

The result is that the pumps manufactured by Shakti Pumps (3 HP, 50m head) consume 20-30% lower electricity than competing alternatives. The Company delivers the same pump productivity as the largest stainless steel pump brand in the world for a cost that is 30% lower.

Our technologically-advanced stainless steel pump can transform realities across diverse applications, sectors and national projects

At Shakti Pumps, the submersible pump represents the next generation of pump technology and represents years of research and engineering excellence.

In a cast iron pump, the impaler fan is thick; thinner stainless steel fins create a stronger vacuum and stronger pumping action. Besides, uniform finish on the outer and inner surfaces of the stainless steel pump moderate friction and enhance pump efficiency.

The result is the stainless steel pump does more work in less time at a lower cost across a larger farm area.

- 30-40% lower energy consumption
- 40-50% higher output
- Doubled operating life to around 10 years
- Lower maintenance cost
- Relatively lower capital cost (available from the lower amperes)

The fusion of enhanced productivity and stable costs provide user-farmers with an effective weapon to enhance farm viability.

Besides, the product can address widening applications across sectors. As the Indian government invests in accelerated infrastructure construction, the market for booster, monoblock and hydro-pneumatic pumps manufactured by Shakti Pumps could substantially widen.

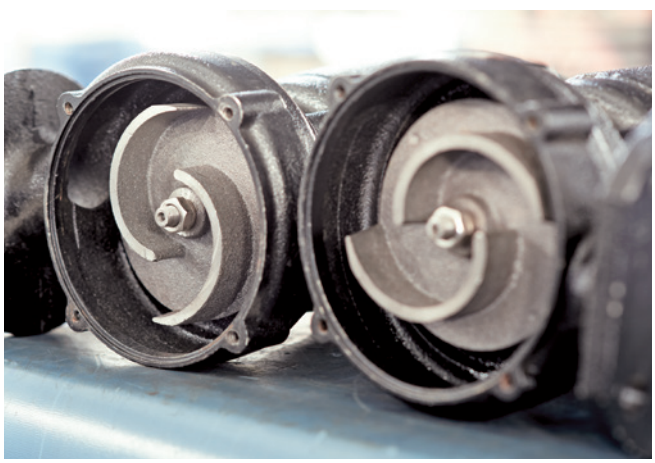
The Indian government announced 'Housing for all' by 2022, expected to translate into the construction of more than 1 cr homes entailing an aggregate investment of Rs. 34,000 cr - a large market for booster, monoblock and hydro-pneumatic pumps manufactured by Shakti Pumps.

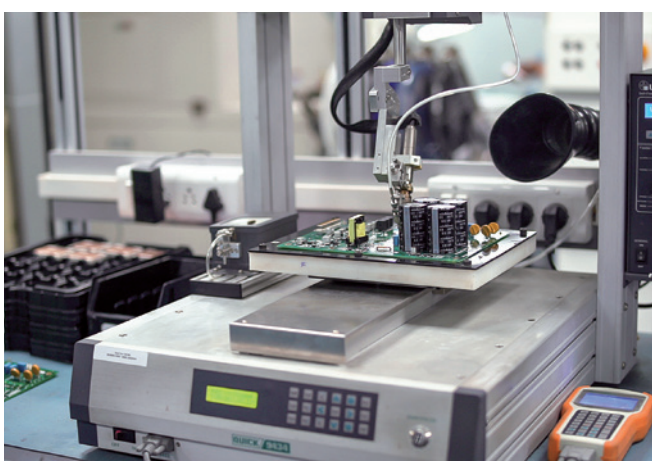
The Indian government's sanitation programme could entail the construction of a toilet in each school and home, a USD 20 billion opportunity – a market for monoblock and submersible pumps manufactured by Shakti Pumps.

The government's Ganga Cleaning Project is likely to be the largest river cleaning programme in the country, creating a business opportunity of Rs. 20,000 cr – a market for sewage and booster pumps manufactured by Shakti Pumps.

The government's proposal to link Indian rivers is a landmark global opportunity, which could result in potential business of USD 87 billion – a market for sewage, booster and open wall pumps manufactured by Shakti Pumps.

The proposed electrification of 30 million villages in two years could create multifold opportunities in the increased use of various pumps manufactured by Shakti Pumps.





The competitive advantage at Shakti Pumps

Brand

Responsiveness: Shakti Pumps is a sector-agnostic pump manufacturer and water solutions company. Our competence lies in being able to understand customer environments and provide customised products. The Company is effectively a pump-based water management solutions company (except project pumps).

Entrenched experience: Shakti Pumps enjoys a three-decade experience in the pumps sector, addressing challenges in technology, markets, preferences, and certifications.

Competitive: Shakti Pumps enjoys a recall of being one of the most competitive stainless steel pump manufacturers in the world with a production cost around 30% lower than the global industry leader

Recall: Shakti Pumps products enjoy a distinctive recall in delivering a larger volume throughput in less time – *'Kum waqt me zyaada paani'* – that translates into a robust offtake for agricultural applications.

Product breadth: Shakti Pumps provides pumping solutions across 1,200 product variants. These products find applications in groundwater supply, irrigation, pressure boosting, industrial applications, fire-fighting systems and pumping applications for the domestic and hospitality sectors. The result is that over time, Shakti Pumps has emerged as a one-stop destination for a variety of pumping applications.

Widespread presence: Shakti Pumps exports products to more than 100 countries, an attractive opportunity to enhance country share on the one hand and adequate geographic de-risking on the other. Shakti Pumps markets products through a network of more than 600+ dealers in India supported by 22 distribution depots spread across 16 states. The Company has also established subsidiaries in UAE, USA, China, Bangladesh and Australia.

Health: Shakti Pumps manufactures pumps made of stainless steel, enjoying a related recall around health and cleanliness. Besides, the non-rust nature of the product in saline or watery conditions reinforces the conviction that the product is safe for use.

Marketing

Extensive portfolio: Shakti Pumps has made a seamless transition from being a product-specific company to a solutions provider that makes it possible to moderate a farmer's costs and enhance farm productivity.

Certifications: Shakti Pumps is India's first pump manufacturer with a five-star rating; 260 of the Company's models are star-rated by the Bureau of Energy Efficiency, testifying minimal energy consumption. The Company is also accredited with ISO 9001:2000 and BEE 5-star rating, Underwriters Laboratories for USA and Veritas for Europe and CE mark.

Warranty: The Company's solar submersible pump comes with a five-year warranty.

Technology

Proprietary knowhow: Shakti Pumps' stainless steel pumps are manufactured using proprietary technology. All components used in the pumps are manufactured in-house.

Equipment: Shakti Pumps has invested in cutting-edge equipment from Mazak, Japan, a global leader in the manufacture of advanced technology solutions with high accuracy, tolerance and efficiency.

Pioneer: Shakti Pumps pioneered the introduction of stainless steel submersible pumps in India. The Company periodically introduced diverse variants. The result: Shakti's pumps enjoy a prominent recall.

Cutting-edge: Shakti Pumps does not just manufacture pumps. By the virtue of investments in the most advanced tolling, fabrication and finishing machines on the one hand and the use of stainless steel as fabrication material on the other, the Company produces the most advanced pump variants across diverse downstream applications – at a lower cost of ownership.

Stringent compliance: Shakti Pumps products have been certified by some of the most credible names such as ISO 9001:2008 Quality Management Systems, ISO 14001:2004 Environment Management System and OHSAS 18001:2007 Occupational Health and Safety Management System, a validation of its quality commitment.

Entry barrier: There is a formidable technology entry barrier which, given the recommended economies of scale, is likely to cost any new player at least Rs. 800 cr in addition to the need for a knowledgeable team from day one.

Performance: The Company's pumps are effective down to 2,000 ft whereas pumps manufactured by the unorganised sector go down to a maximum of 300 ft. only.

Financial

Economies of scale: The Company leveraged growing volumes of purchases to derive procurement economies, kickstarting its financial competitiveness in a challenging market.

Low gearing: The Company's debt-equity ratio was at an attractive 0.61, strengthening the Company's potential to mobilise funds whenever needed.

Operating leverage: The Company possesses an installed capacity of 5,00,000 pump sets per annum. The Company's capacity utilisation of 42% in 2018-19 indicates attractive operating leverage that can be extensively leveraged in the event of increased demand; besides, new products can be developed without corresponding capital expenditure.

Value-addition: Shakti Pumps has progressively created an attractive value pyramid, where increasing revenues are derived from value-added pumps. For instance, a solar submersible pump generates 7x the revenues of a plain submersible equivalent.

Revenues from solar submersible pumps increased from Rs. 308 cr in 2014-15 to Rs. 550 cr in 2018-19.

Margins: Shakti Pumps is possibly India's most profitable organised pump manufacturer, reporting EBITDA margins more than 2x of most industry players.

Management discussion and analysis

Global economic review and outlook

Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of the Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Owing to this, the global economy growth in 2018 was estimated at 3.6%.

Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four year peak of USD 81 per barrel in October 2018 to USD 61 per barrel in February 2019. While advanced economies are showing signs of a slowdown, emerging economies like India and China are expected to fuel the world's economic growth engines.

Global growth is expected to remain at 3.2% in 2019 while bounce back to 3.5% in 2020. The unwinding of the US fiscal stimulus and the fading of the favourable spill-overs from US demand to trading partners will be offset by a pickup in growth in emerging markets and developing economies. Global oil supply is expected to increase gradually, lowering oil prices to USD 68.76 a barrel in 2019 and to ~USD 60 a barrel in 2023.

Global economic growth over six years

Year	2015	2016	2017 (E)	2018 (E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.2	3.5

(Source: World Economic Outlook, July 2019; E: Estimated; P: Projected)

Indian economic overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~USD 42 billion in FDI inflows as per the World Investment Report 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened up new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of Rs. 74.45 to a dollar to close the financial year at Rs. 69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Key government initiatives

The Indian government continued to take initiatives to strengthen the national economy.

Bank recapitalisation scheme

In addition to infusing Rs. 2.1 lacs cr in public sector units, the Indian Government announced a capital infusion of Rs. 41,000 cr to boost credit for a strong impetus to the economy in 2018-19. The Budget 2019-20 mandated that the Union Government will infuse Rs. 70,000 cr to strengthen and enhance their lending capacity. *(Source: Hindu Business Line)*

Expanding infrastructure

India's proposed expenditure of Rs. 5.97 trillion (USD 89.7 billion) towards infrastructural development In Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, total length of road building projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of Rs. 1.52 trillion (USD 21.07 billion). The Government has announced an investment of Rs. 10,000,000 cr (USD 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. *(Source: IBEF)*

Ujjwala Yojana and Saubhagya Yojana

With the help of this initiative, the Government has transformed the lives of many rural families, dramatically improving the ease of their living by providing electricity and clean cooking facility to all willing rural families by 2022.

UDAN

This Scheme is directed at providing

air connectivity to smaller Indian cities, enabling the common citizens to avail the option of travelling by air. A number of airports are likely to be constructed under this scheme.

The Insolvency and Bankruptcy code (Amendment), Ordinance 2018

Passed in June 2018, the ordinance provides significant relief to home-buyers by recognising their status as financial creditors. The major beneficiary of the ordinance would be the MSMEs, since it empowers the Indian Government to provide the MSMEs with a special dispensation under the code. *(Source: PIB)*

Pradhan Mantri Kisan Samman Nidhi

In February 2019, the Indian Government announced the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of Rs. 6,000 (USD 84.5) for any farmer owning upto 2 hectares of farmland. The budget for the fiscal year 2020 allocated Rs. 75,000 cr for the scheme, benefiting ~120 million land-owning farmer households. *(Source: PIB)*

Direct Benefit Transfer

The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/ funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred more than Rs. 3,00,000 cr and the gains to have accrued since implementation of the scheme (upto March 2019) is estimated at Rs. 1,41,677.56 cr.

(Source: www.dbtbharat.gov.in)

Indian agriculture sector

The Indian agricultural sector is the second largest in the world followed by that of the USA.

Even as some pockets of the country's agricultural sector remain prosperous and profitable, there are other pockets that need attention.

This is reflected in the growing incidence of farmers falling into debt traps and committing suicide: every successive government has tried to implement schemes to save the debt ridden farmers but they have never been able to achieve much success. The sugar coated promises made to the farmers have never provided the farmers with much help. Bankruptcy, indebtedness and farming-related issues are the major causes of suicides among farmers/cultivators. In 2016, around 6,351 farmer suicides were recorded. In February 2019, Maharashtra state government identified around 14 suicide-prone districts.

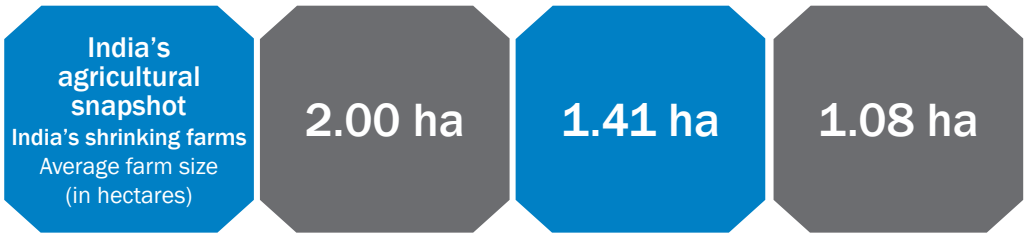
Agriculture grew 1.76% every year during 1998-04 but bounced back after 2004 with agricultural growth rate accelerating to more than double to 3.84% per annum between 2004-05 and 2012-13 (growth rates are based on the old GDP series). This revival was led by higher credit availability to agriculture, rise in farm investment and MSP policies. The increase in the MSP (2004-09) may have partially fuelled food inflation, but also led to higher farmer incomes and an unprecedented increase in labor wages since the 1980s.

As against a growth rate of farmer incomes at 5.52% per annum between 2004-05 and 2011-12, incomes of all farmers declined at 1.36% per annum between 2011-12 and 2015-16 - the period after 2011-12 being the longest where farmers have seen a decline in growth in real income year after year. Agricultural growth rebounded to more than 6.3% in 2016-17 and 5% in 2017-18.

At this point, the crisis in Indian agriculture is not driven by a collapse of agricultural output but by economic policies followed in the last few decades that made low inflation the objective of fiscal and monetary policies. Interestingly, whereas farmers' distress was earlier the result of a disruption in production or weather-induced factors, there is now a growing incidence of it even the monsoons are normal.

Indian agriculture overview

Doubling of farms: The number of farms in India has more than doubled from 71 million in 1970-71 to 145 million in 2015-16, while the average farm size more than halved from 2.28 hectares (ha) to 1.08 hectare.

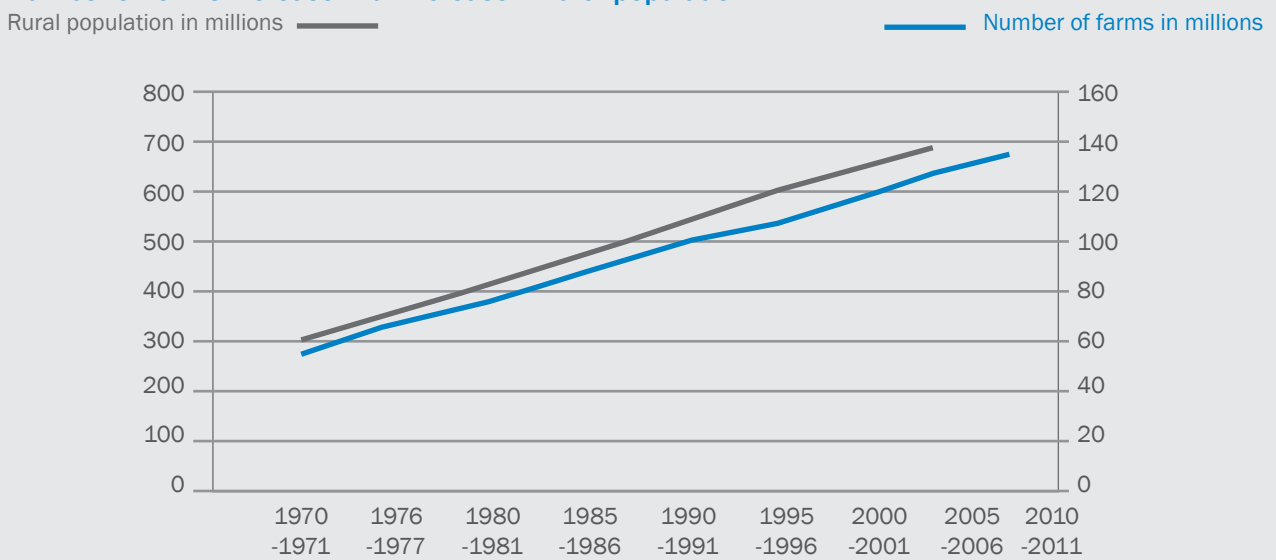


(Source: Agriculture Census, Census of India, Indira Gandhi Institute of Development Research)

Between 1970-71 and 2010-11, the number of farms increased by 194% (rural population increased 189%) as farm tracts kept getting divided across relatives and succeeding generations.

Sub-optimal farm sizes

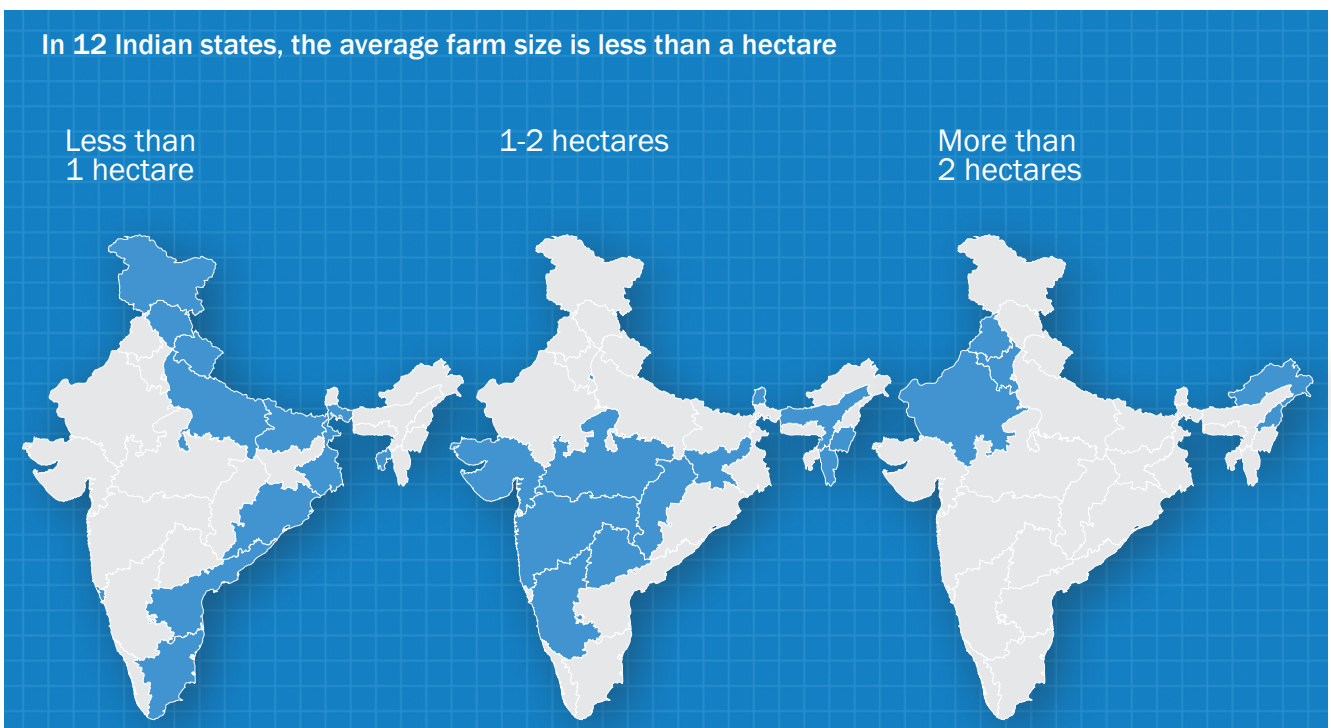
Number of farms increase with increase in rural population



Source: Agriculture Census, Census of India, Indira Gandhi Institute of Development Research

India's farms kept getting smaller. The majority of India's farms (86%) are less than 2ha.The bulk of these farms are located in Uttar Pradesh and Bihar. A 2016 study estimated that around 84% of the world's farms are less than 2ha. Small farmers use more inputs (fertilizers), use their land more intensely (more crops) and embrace technology. However, farm incomes remain low.

In 12 Indian states, the average farm size is less than a hectare



Source: Agriculture Census, Census of India, Indira Gandhi Institute of Development Research

Global warming impact

Global surface air temperature may increase by 4.0–5.8°C in the next few decades. Western and Central India could witness 15 more dry days each year. Livelihood and food security of Indian's could be at risk.

Global population increasing

Global population could increase to 9.7 billion people by 2050, compared to today's 7.5 billion. At the same time, crop yields, mainly grain and corn, could decrease by 50% over the next 35 years due to altered climatic conditions. It is worth noting that nearly 795 million people globally still don't have enough to eat on a regular basis.

Global pump sector overview

Pumps are basically used to supply and transport various forms of liquid depending on the pump type and the material of which the pump is made. The water-pumps are classified as Centrifugal Pump, Diaphragm Pump, Reciprocating Pump and Rotary Pump.

In 2018, the global revenue for water-pumps stood at USD 13 billion and is expected to grow at a CAGR of 2.6% during the period 2019-25. Recently, there has been a rise in the demand for energy efficient pumps across different sector such as building services, oil and gas and other energy intensive sectors combined with increasing urbanisation globally. In the last several years, the global market for water pumps has developed steadily, with an average growth rate of 0.14%. China was the largest supplier of water-pumps with a market share of 26.77% in 2017. Europe was the second largest supplier of water pumps, enjoying nearly 21.31% of global production in 2017.

(Source: Globenewswire, Techsciresearch, Maximize Market Research)

Outlook

The demand for water-pumps is expected to increase due to the increasing need for industrial wastewater treatment. The increased infrastructural developments in the emerging nations of the Asia Pacific region could have a positive impact on the water-pumps market .The development of the industrial sector, especially in the power, energy and agricultural sectors, could increase the demand for water-pumps, as could the growth of the oil and refinery sector . Moreover, the growing dependency on groundwater, instead of the monsoons, for irrigation and agricultural purposes in developing nations like India indicates an increase in the demand for water-pumps in the agricultural sector. Several global government initiatives for recycling wastewater to reduce water pollution also indicate a demand growth for water-pumps. The need to consume clean water to maintain a healthy and disease-free lifestyle, the construction of water recycling industries, and rising demand for solar water-pumps points to widening opportunities for water-pump players.

The Asia Pacific region is expected to maintain its water pump dominance, catalysed by infrastructure developments across developing countries.

North America is expected to provide significant opportunities for the water-pump market. Increasing household and domestic activities in developed nations like Canada and the U.S. are anticipated to drive the region's market growth. USA's government initiatives are to recycle wastewater which is likely to drive the North American water-pumps market. *(Source: Zion)*

Key growth drivers

Water pumps are one of the most important mechanical devices with end-users across several industries and households. Government efforts to improve water infrastructure, water supply and sanitation in some countries are expected to drive the demand for water pumps in those nations.

Increase in the utilisation of water pumps in the oil and gas sector can be attributed to the rise in demand for energy. New technologies in water pumps now enable the efficient separation of liquid and gas. The demand for water pumps from the power generation sector is expected to gain traction, particularly due to increased investments in the power and energy sectors in emerging economies.

Economic growth and infrastructure development in emerging countries of the Asia-Pacific are expected to drive the market for water pumps.

International Solar Alliance

International Solar Alliance (ISA) is an alliance of 121 solar resource rich countries lying fully or partially between the Tropics of Cancer and Capricorn. ISA was launched by the Indian Prime Minister Mr. Narendra Modi and the then President of France Mr. François Hollande in 2015.

The objective of the International Solar Alliance is to provide a dedicated platform for cooperation among solar resource-rich countries and global stakeholders, including bilateral and multilateral organisations, corporates and industries to achieve a common goal. This goal is directed towards increasing the use of solar energy in meeting the energy needs of ISA member countries in a safe, convenient, affordable, equitable and sustainable manner.

Through this initiative, the countries intend to mobilise more than USD 1,000 billion for investments by 2030.

An important ISA focus comprises investments in solar pumps India, Bangladesh, Sudan, Uganda, Senegal, and Mauritius, among others.

Through this programme, members would also be able to implement the project effectively from in-built monitoring mechanisms and develop large number of local employment opportunities.

The Indian pumps sector

The Indian pumps industry is an important contributor to the country's growth due to the role of pumps as the primary equipment in almost every sphere of the economy, including infrastructure and agriculture. The pump industry had a turnover of about Rs. 200 billion in 2018 and is expected to grow at 10% annually. The Indian pumps segment has registered rapid growth in the past few years mainly due to declining groundwater levels, rapid urbanisation and improving infrastructure.

The offtake of submersible pumps in the water and wastewater treatment segment alone was estimated at nearly 50% market share in 2019.

The growth of the submersible pumps market is influenced by various factors ranging from growing government investments in desalination, water and wastewater treatment projects to an increasing number of onshore and offshore oil exploration and production activities. Besides, water pumps are being increasingly used in industrialisation, construction and agriculture to transport water from one point to another. This market is being catalysed by depleting ground water and rising infrastructure investments

Centrifugal pumps are mainly used for pumping water in the industrial and residential properties. These are also used in the agriculture sector, municipal water and wastewater plants, power generation plants, petroleum, and chemical industries among others.

The market of the Indian pumps industry is fragmented and characterised by the presence of a few large players and a large number of small- and mid-sized players. The market is competitive, the large Indian vendors competing directly with global players through a wide distribution channel. In terms of product pricing, small regional players, with their comparatively low prices, threaten large domestic and global players. Only some of the larger players possess the capability of serving the industrial sector. The unorganised small players account for nearly half the supply to the price-sensitive agricultural and domestic segments. The principal pump manufacturing clusters are located in Coimbatore, Ahmedabad and Rajkot.

India's pumps and valves output is exported to more than 100 countries [est]. In the year 2017-18, domestic pumps (for liquids) worth Rs. 61.27 billion were exported.
(Source: Indian Infrastructure)

Outlook

India holds out immense potential for the growth the pumps industry. The government's increased focus on water management, the Make in India initiative and renewed investments in expanding national infrastructure indicate that the Indian pumps market could cross USD 3.2 billion by 2023.
(Source: Indian infrastructure)

Opportunities

The Indian pumps market holds out immense potential marked by rapid urbanisation and growing dependence

on underground water due to monsoonal irregularity.

Agriculture accounts for a significant share in the country's water-pumps market. This demand is complemented by the industrial sector where power plants, chemical manufacturing and water & wastewater treatment represent prime application areas. Rapid penetration of desalination plants in the industrial sector is consequently boosting the demand for water-pumps in this segment. Alongside the water treatment industry, water-pumps are gaining traction in the power sector. According to the Planning Commission of India, the government intends to enhance thermal power capacity by about 72,000 MW during the 12th Five Year Plan. Magnetic drive based water-pumps, EPC (Engineering, Procurement and Construction) based water-pumps, and mobile phones used as remote controllers for operating water-pumps are innovative introductions in India.

The Swachh Bharat Abhiyan or Clean India Mission could widen the Indian pumps market. The government plans to build around 110 million toilets across India -the highest toilet building program ever. The Rs. 20,000 cr National Mission for Clean Ganga is another prominent government initiative comprising nearly 288 projects, which could strengthen the demand for industrial pumps.
(Source:Techschi Research; The Guardian; The Hindu; Times of India)

The solar pumps overview

Solar pumps offer an effective way to strengthen India's agriculture through the moderation of conventional energy choices (diesel). In India, the energy cost for pumping water can be up to 30% of the total farm expense, so switching to solar pumps represent a cheaper and convenient option. Through solar water-pumps, India can enhance solar energy awareness, which could potentially and annually save approximately USD 6 billion in electricity and diesel subsidies.

With the government offering subsidised schemes to enhance solar pump affordability, the solar irrigation market is growing steadily. As solar irrigation solutions become available in un-electrified and remote areas, it could trigger the next agricultural revolution.

The KUSUM Scheme offers incremental revenue opportunities for farmers, making it possible for them to market their excess power to the state electricity grid.

India announced a target to install 1 million solar pumps by 2021, strengthening the competitiveness of the country's agriculture sector. A probable decline in the cost of solar pumps could enhance affordability and applications. In 2017, western India contributed the highest revenue share of the solar pumps market. North India is expected to emerge as the fastest growing region, catalyzed by larger solar pump installation targets announced by the state government.

Competitiveness in this market depends on technology, performance, flexible applications (on-grid and off-grid), AC and DC technologies, product quality, efficiency, reliability and durability. A synchronised solar pumping system where all components such as pump, motor, controller, panel, structure etc. function harmoniously at desired parameters would enjoy a competitive edge as an ideal solar pumping system.

The global opportunity is also widening for this product with an opportunity to expand into Africa. Morocco intends to install more than 1,00,000 solar pumps by 2020 while major donors and development agencies have piloted and assessed solar pumping solutions in Benin, Ethiopia, Kenya, Malawi and Zambia, among others.

(Source: Businesswire, Economic Times, 6Wresearch, Synergy Solar World)

Advantages

- Simple and reliable
- Easy installation and unattended operation
- One-time investment and negligible maintenance
- No diesel or other fuel spills or costs
- Mobility option
- No dependence on erratic grid electricity
- Better crop yields due to daytime water availability
- Facilitates multiple crop and multi-season cultivation
- Can be connected to a drip and sprinkler irrigation system
- Environment-friendly

Disadvantages

- The pump does not work at night in areas without a grid

Shakti Pumps competitive advantage

Shakti Pumps has been a sectoral thought leader and first-mover across the last couple of decades – first in the manufacture of stainless steel pumps, then in the manufacture of all components for these pumps, in the extension of these pumps to the solar equivalent and thereafter to the manufacture of all supporting digital sub-products to complete the solution.

The result is that the Company is an extensively integrated company, leveraging its engineering excellence to create complete product eco-systems that enhance sub-product dependence, enhance quality and enhance the capture of the largest slice of the value-chain.

Steady progress in power electronics and PV panel efficiencies would widen the scope of solar energy applications leading to the development of integrated systems that can handle an array of domestic applications. Similarly improvements in efficiency of panels, pumps and controllers could optimise costs and enhance efficiency.

Besides, the Company has been an active player in the global water pumps sector with a rich experience of engaging in more than 125 countries.

KUSUM Yojana

The Indian government sanctioned the Kisan Urja Suraksha Evam Utthaan Mahabhiyan (KUSUM) for farmer's welfare.

The objective of this scheme is to add solar and other renewable power plants in the country. The scheme aims to add solar and renewable capacity of 25,750 MW by 2022 with Central financial support of Rs. 34,422 cr.

Even though the five-year KUSUM was announced in March 2019, more than 2,50,000 solar pumps have already been installed under various government schemes. Though there were a few pilot projects which got implemented last year, major part of KUSUM scheme will be implemented from current financial year.

KUSUM will address all Indian States with state-wise allocations to be in the later part of 2019.

The scheme can potentially save about 27 million tonnes of CO2 emission per annum. One component of the scheme on standalone solar pumps could result in a saving of 1.2 billion litres of diesel per annum in addition to related savings in foreign exchange following a reduction in the import of crude oil.

The scheme is likely to generate employment opportunity equivalent to 6.31 lacs job per year.

Energy Efficiency Services Limited and India's solar pumps sector

- A joint venture of NTPC Limited, Power Finance Corporation, Rural Electrification Corporation and Powergrid
- Set up under the Ministry of Power to facilitate implementation of energy efficiency projects
- Seeks to unlock the energy efficiency market that can potentially result in energy savings of up to 20% of current consumption by way of innovative business and implementation models
- Engaged in solarising India's water-pumps, a viable alternative to power requirements of farmers during the day
- The solution will make it possible for farmers to receive considerable monthly revenue by selling excess power to the grid across 25 years
- EESL plans to form a Farmers' Cooperative Society for better operations
- Replacing an estimated 2.27 cr pump sets used in India's agriculture sector with energy-efficient pump sets could result in an annual saving of energy 4,600 cr kWh and GHG emission reduction of 4.5 cr tonnes of CO2 annually

The Company's review

Shakti Pumps is India's leading manufacturer of energy- efficient submersible pumps for the agriculture, domestic and horticulture sectors.

The Company went into business in 1982 and is now a recognised brand inside and outside of India.

The Company is respected for perpetually transforming its personality: from cast iron submersible pumps to stainless steel to the solar variety.

Shakti Pumps pioneered the manufacture of 100% submersible stainless steel pumps and motors. Over the years, the Company has emerged as the second largest such pump manufacturer in the world.

Financial review

Profit and loss account analysis

Gross revenues

Gross revenues increased by 25% to Rs. 54,645 lacs in 2018-19, compared with Rs. 43,660 lacs reported in 2017-18.

Operating profit

Operating profit (EBITDA) increased by 15% amounting to Rs. 9,297 lacs in during 2018-19 from Rs. 8,093 lacs in 2017-18.

Depreciation

Depreciation for the year under review stood at Rs. 1,504 lacs, compared with Rs. 1,395 lacs recorded in the previous year, up by 8% on a Y-o-Y basis.

Finance costs

Finance costs for the year under review decreased by 27% from Rs. 1,401 lacs in FY18 to Rs. 1,781 lacs in FY19.

Net profit

Net profit for the year under review stood at Rs. 4,507 lacs compared with Rs. 3,411 lacs in the previous year.

Balance Sheet analysis

Net worth: The Company's net worth stood at Rs. 29,039 lacs as on March 31, 2019, increasing by 14%, compared with Rs. 25,363 lacs as on March 31, 2018. The net worth comprised paid-up equity share capital amounting to Rs. 1,838 lacs as on March 31, 2019 (1,83,80,156 equity shares of Rs. 10 each fully paid up). The Company's reserves and surplus stood at Rs. 27,201.28 lacs.

Loan profile: Short-term loan funds stood at Rs. 15,693 lacs compared to the previous year's Rs. 9,567 lacs, while long-term borrowings stood at Rs. 2,135 lacs. The Company's total debt as on March 31, 2019 stood at Rs. 17,828 lacs compared to the previous year's level of Rs. 11,031 lacs.

Total assets: The Company's total assets increased to Rs. 58,340 lacs in 2018-19 from Rs. 45,745 lacs in 2017-18, representing an increase of 28%.

Inventories

Inventories were Rs. 13,557 lacs as on March 31, 2019 compared to Rs. 11,614 lacs on March 31, 2018.

Trade receivables

Sundry debtors of the Company stood at Rs. 18,054 lacs at the close of FY19, compared to Rs. 14,334 lacs at the close of the previous year.

Trade payables

Trade payables stood at Rs. 7,214 lacs as on March 31, 2019, compared with Rs. 4,980 lacs in the previous year.

Key ratios

Particulars	2018-19	2017-18
EBITDA/Turnover(%)	17.52%	19.05%
EBITDA/Net interest ratio	6.58	7.65
Debt-equity ratio	0.61	0.43
Return on equity (%)	15.52%	13.45%
Book value per share (Rs.)	157.99	137.99
Earnings per share (Rs.)	24.52	18.56

Risk management

Competition risk
Increased competition may affect the Company's profit margins.

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

Manufacturing risk
The Indian pump market mainly depends on the agricultural sector, due to the unpredictability of the monsoon. So irregularity of monsoon may lead to demand fluctuation in the market which will ultimately lead to underutilisation of capacity.

Mitigation
The Company has a presence in 100 countries and 13 States in India. It also has a wide product portfolio and fungible production facilities.

Technological risk
Decline in quality of the product could lead to reduction in demand.

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

Inflation risk
The increase in the cost of critical inputs could affect the profitability of the Company.

Mitigation
The Company strategically hedges against risks by buying right quantity at right price.

Liquidity risk
If the Company is not able to sell the product efficiently then this will lead to reduction in the liquidity of the Company.

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

Brand risk
Inefficient marketing campaigns could lead to a decline in brand value.

Mitigation
The Company invests regularly in promotional initiatives to enhance its brand value all over the world.

Currency risk
An undervaluation of the rupee can affect the Company's export revenues.

Mitigation
The Company hedges itself by using financial instruments that help minimise foreign exchange fluctuation risks to a large extent.

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 March 31, 2019, the Company had 642 employees on its payroll.

Cautionary statement

The information and opinion expressed in this report and as well as the 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.

Notice

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Notice is hereby given that the 24th 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 Friday, September 27, 2019, at 12:30 P.M. to transact the following Business: -

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial Statements) for the financial year ended March 31, 2019 and the Report of the Directors and Auditors thereon.

2. To declare Dividend of Rs.5.00/- Per Equity Share on Equity Shares of Rs.10/- each of the Company for the Financial Year ended March 31, 2019.

3. To appoint a Director in place of **Mr. Sunil Manoharlal Patidar (DIN: 02561763)**, who retires by rotation at this ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS: -

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Navin Sunderlal Patwa (DIN:01009404)**, **Independent Director** of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his reappointment to the Board, and the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, subject to consent of shareholders, to hold office for a second term of 5 (five) consecutive years, commencing from July 31, 2019 to July 30, 2024."

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

   "**RESOLVED THAT** in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Keyur Bipinchandra Thaker (DIN:08474827), who was appointed as an Additional Independent Director of the Company with effect from June 11, 2019, pursuant to Section 161 of the Act and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from **June 11, 2019** to **June 10, 2024**."

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

   Ratification of Remuneration payable to of **M/s. M. P. Turakhia & Associates, Cost Accountants** (Firm Registration No. 000417) appointed as Cost Auditor of the Company for the year 2019-20.

   "**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 2019-20, be paid a remuneration of Rs. 55,000/- per annum plus applicable Goods and 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."

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

Revision of remuneration of Mr. Dinesh Patidar (DIN: - 00549552) Chairman and Managing from September 1, 2019 till August 31, 2021

"**RESOLVED THAT** on recommendation by the Nomination and Remuneration Committee and Audit committee and 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 for revision of remuneration of Mr. Dinesh Patidar (DIN:00549552) designated as the Chairman and Managing Director of the Company.

FURTHER RESOLVED THAT the overall managerial remuneration payable to Mr. Dinesh Patidar shall be fixed by the Board from time to time on recommendation by the Nomination and Remuneration Committee and audit committee but not exceed of Rs. 9.00 (nine) Crore per annum at any point of time and that term and condition of the aforesaid remuneration payable to the said Chairman and Managing Director be varied/altered/revised within the said overall limit, in such manner as may be required during the period of his appointment term.

FURTHER RESOLVED 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 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 capital of the Company and as may be agreed by the Board of Directors of the Company and acceptable to Mr. Dinesh Patidar, the Chairman and Managing Director of the Company subject to necessary approval(s) as may be required.

FURTHER RESOLVED 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 and 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: August 12, 2019

Notes: -

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 (forty-eight) hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 (forty-eight) hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.

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) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

4. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.

5. 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.

6. The Register of Members and Share Transfer Book of the Company shall remain closed from **Friday, September 20, 2019 to Friday, September 27, 2019** (both days inclusive).

7. 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 **Thursday, September 19, 2019**, 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.

8. 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.

9. 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.

10. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to 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.

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

12. 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.

13. 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.

14. 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.

15. 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.

16. Electronic copy of the Notice of the **24th** 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 **24th** 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.

17. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2018-19 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.**

18. 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) Regulations, 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 **Thursday, September 19, 2019** 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 Tuesday, September 24, 2019 and will end at 5:00 p.m. on Thursday, September 26, 2019**. 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.

19. SEBI vide their Circular No. SEBI/HO / MIRSD /DOP1/ CIR/2018/73 dated April 20, 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.

20. The Ministry of Corporate Affairs had notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not en-cashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to en-cash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on **September 27, 2018 (date of last AGM)** are available on the website of the Company **https://www.shaktipumps.com/** and on Ministry of Corporate Affairs' website. The Member(s) whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://www.iepf.gov.in/.

21. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to M/s. Adroit Corporate Services Pvt. Ltd, 19/20, Jafferbhoy Industrial Estate, 1st Floor Makwana Road, Marol Naka Mumbai, Maharashtra -400059 by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

22. 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.

23. 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.

24. 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.

25. 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.

26. The Board of Directors of the Company has appointed Mr. Manish Maheshwari (C. P. No. 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. Friday, September 20, 2019**. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.

27. 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 at-least 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.

28. 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.

29. E-voting: -

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on September 24, 2019, 9:00 a.m. and ends on September 26, 2019, 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 (record date) of Friday, September 20, 2019 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.

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

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

(vi) 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).

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

(viii) 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.

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

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

(xi) 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.

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

(xiii) 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.

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

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

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, 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: August 12, 2019

ANNEXURE TO THE NOTICE

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

Item No. 4:- Re- appointment of Mr. Navin Sunderlal Patwa (DIN :01009404) for a period of 5 Years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.
The Members of the Company at the Annual General Meeting held on July 31, 2014 approved the appointment of **Mr. Navin Sunderlal Patwa (DIN: 01009404)** Independent Directors for a period of 5 years commencing from July 31, 2014 to the conclusion of 24th Annual General Meeting to be held in 2019.

Based on their performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, Mr. Navin Sunderlal Patwa is eligible for re-appointment as Independent Directors and had offered himself for re-appointment. The Board of Directors recommends the proposal to re-appoint him as Independent Directors for a term as mentioned in special resolution.

In the opinion of the Board, Independent Directors fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that association of the Independent Directors would be of immense benefit to the

Company considering their expertise and experience and it is desirable to avail services of these Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment **Mr. Navin Sunderlal Patwa (DIN: 01009404)** as Independent Director, for the approval by the shareholders of the Company.

Except **Mr. Navin Sunderlal Patwa (DIN: 01009404)**, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5: Appointment of Mr. Keyur Bipinchandra Thaker (DIN: 08474827) as an Independent Director of the Company.

Mr. Keyur Bipinchandra Thaker who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from **June 11, 2019** holds office upto the date of this Annual General Meeting and is eligible for appointment as Independent Director.

Mr. Keyur Bipinchandra Thaker is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Keyur Bipinchandra Thaker as Independent Director, for the approval by the shareholders of the Company.

Except Mr. Keyur Bipinchandra Thaker, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No.6: Ratification of Remuneration payable to Cost Auditor.

M/s. M. P. Turakhia & Associates, Cost Accountants 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 12, 2019**, the Board has, considered and approved the appointment as the cost auditor for the financial year 2019-20 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. 7:-Revision of remuneration paid to Mr. Dinesh Patidar (DIN: 00549552) as Chairman and Managing Director of the Company.

Based on the recommendation and approval of Nomination and Remuneration Committee, the Board at its meeting held on August 12, 2019, 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").

The terms and conditions for revision of remuneration are as under: -

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

b) **Salary: -**
Not Exceeding Rs. 75,00,000/- (Rupees Seventy Five lacs Only) per month.

c) **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 Management.
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).

d) **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. Dinesh Patidar, Mr. Sunil Manoharlal Patidar is in any way, concerned or interested, financially or otherwise, in the Resolution.

e) **Reimbursement of Expenses: -**
Expenses incurred for travelling, board and lodging including for spouse of Mr. Dinesh Patidar 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.

f) **Overall Remuneration**
Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to the Chairman & 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 actual.

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 Manoharlal 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. 7 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 (11.00 A.M. to 5.00 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:-

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

Year ending March 31	Standalone Sales	Operating Profit	Profit before Tax	Profit After Tax
2015	29,852.31	4,818.51	3,502.08	2,571.26
2016	26,384.79	1,743.45	342.85	197.51
2017	40,492.85	4,728.90	3,132.90	2,132.16
2018	41,314.06	5,781.52	4,422.46	2,711.05
2019	52,311.08	6,205.19	4,531.40	3,143.10

Export Performance	FOB Value of Export for the year 2016-17 - Rs.117,60,59,339.00 2017-18 - Rs.130,02,00,481.00 2018-19 - Rs.1,388,295,389.14
Foreign investments or collaborators, if any	Company has five foreign wholly owned Subsidiary namely: - 1. Shakti Pumps LLC, USA 2. Shakti Pumps FZE, UAE 3. Shakti Pumps Pty Ltd, Australia 4. Shakti Pumps (Shanghai) Limited 5. Shakti Pumps (Bangladesh) Limited

I. Information about the appointee:-

General Information:	
Background details	He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and has over 33 years of experience in business of Submersible Pumps and Motors.
a) Past remuneration	The remuneration drawn by Mr. Dinesh Patidar during the past years is as follows:

Year	Rs.
2016-17	1.44Crs.
2017-18	1.68 Crs.
2018-19	2.33 Crs.

b) Recognition or awards	The appointee takes interest in the social and cultural activities.
c) Job Profile and Suitability	Mr. Dinesh Patidar is Chairman and 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 amongst the Promoters of the Company. His job profile centers to provide vision, guidance and direction for long term growth of the Company.
d) Remuneration Proposed	It is proposed to pay consolidated remuneration to Mr. Dinesh Patidar upto Rs. 9.00 Crores (Rupees Nine Crores only) per annum by way of Salary.

General Information:	
e) 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.
f) 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	57 years
Qualifications	Graduate
Experience	34 years
Terms And Conditions of appointment or re-appointment	(i) Tenure of this appointment shall be three years with effect **from September 1, 2018 to August 31, 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.2,32,50,000/- per annum
Date of first appointment on the Board	April 21, 1995
No. of shares held	35,21,488 shares
Relationship with Directors, Managers & KMP	Brother of Mr. Sunil Manoharlal Patidar (Whole-Time Director)
Number of Board Meetings Attended during the year	6 (Six)
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.

Name of Directors	Mr. Sunil Manoharlal Patidar	Mr. Navin S Patwa	Mr. Keyur Bipin Chandra Thaker
Date of Birth	July 13, 1969	August 14, 1975	February 23, 1975
Expertise in specific functional areas	Human resources Management and Industrial Relations	Corporate Laws	Banking and Finance
Date of appointment	April 21, 1995	January 18, 2012	June 11, 2019
No. of Equity Share held in the Company	15,62,200 Equity Shares	NIL Equity Shares	NIL Equity Shares
disclosure of relationships between directors inter-se	Brother of Mr. Dinesh Patidar (Chairman and Managing Director)	NA	NA
Qualification	Graduate	ACS, LL.B.	P.hD, MBA.
List of outside Directorship held in Public Company	1. Shakti Irrigation India Limited	NIL	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Nil	1. Member of the Audit Committee. 2. Member of the Nomination and Remuneration Committee. 3. Member of Corporate Social Responsibility Committee. 4. Member of Treasury Committee. 5. Chairman of Stakeholders Relationship Committee.	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil	Nil

Boards' Report

Dear Members,

Your Directors have great pleasure in presenting the 24th Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The Financial Summary: -

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATE	
	2018-19	2017-18	2018-19	2017-18
Sales & Other Income	52,591.23	41,601.52	55,025.14	44,010.12
Profit before Finance Cost, Depreciation & Tax	7,692.81	7,279.77	9,296.80	8,196.38
Finance Cost	1,673.79	1,359.06	1,780.66	1,400.91
Depreciation & Amortization Expenses	1,487.62	1,394.72	1,504.38	1,394.95
Profit before Tax	4,531.40	4525.99	6,011.76	5,400.52
Current Tax	1,216.02	1,586.74	1,326.73	1,761.13
Deferred Tax	172.27	154.51	177.53	154.56
Profit after Tax	3,143.10	2,784.74	4,507.50	3,484.83

FINANCIAL PERFORMANCE

During the year, your Company has registered sales and other income Rs. 54,644.99 lacs as compared to Rs. 44,010.12 lacs of previous year showing an increase of 24.16%. Company was able to register a domestic sale of Rs. 39,189.24 lacs and export sale of Rs.13,882.95 lacs in the current year and there was an overall increase in sales by 25.16% the Company has earned profit after tax of Rs. 4,507.50 lacs for the financial year 2018-19.

DIVIDEND

Based on the Company's performance, the Board of Directors recommend for approval of the members, a dividend of Rs. 5 (50%) per fully paid-up Equity Share of Rs.10/- each of the Company, for the year ended March 31, 2019 if approved by the members, would involve a cash outflow of Rs.11.08 Crs.

TRANSFER OF RESERVE

The Company has not transferred any amount to the General Reserves for the year ended March 31, 2019.

LISTING INFORMATION

The Company Shares are listed as follows:

Name of Stock Exchanges	Stock Code/ Symbol
BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001	531431
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	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 March 31, 2019 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 March 31, 2019 is Rs. 18,38,01,560/-

SUSBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

As on March 31, 2019 your Company is having following Subsidiaries:-

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

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

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (Act), a statement containing salient features of financial statements of Subsidiaries Companies in Form AOC-1 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.

DIRECTORS 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, 2019, 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, 2019 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 of, ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

A separate report on Corporate Governance is provided together with a Certificate from the 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 2018-19, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF SIGNIFICANT AND MATERIALS ORDER PASSED BY THE REGULATORS, COURTS, TRIBUNAL

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 RESPONSIBILTY

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 2018-19, 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. Sunil Patidar, Whole-Time Director (DIN: 02561763) retires from the Board by rotation and being eligible, offer himself for reappointment.

Mr. Keyur Bipinchanra Thaker, Additional Independent Director (DIN : 08474827) has been appointed as an Additional Independent Director on June 11, 2019 being eligible for appointment as an Independent Director for a period of 5 years.

Mr. Navin Sunderlal Patwa, Independent Director (DIN : 01009404) retires from the Board as an Independent Director and being eligible, for reappointment as an Independent Director for a period of 5 years.

The above is subject to approval of the Shareholders in 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 October 16, 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 2018-19.

FINANCE & 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.

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. Dinesh Patel:- Chief Financial Officer (Appointed w.e.f March 20, 2019)

Mr. Akhilesh Maru:- Chief Financial Officer (Resigned w.e.f Feburary 23, 2019)

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 as 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.

SECRETARIAL AUDITOR

The Board has appointed M. Maheshwari & Associates, 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 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure-V to this Annual Report and also available on the website of the Company at https://www.shaktipumps.com/pdf/reports/Annual_Report-MGT-9_31.03.2019.pdf

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, GUARANTEES GIVEN AND SECURITIES PROVIDED

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

CONSERVATION NOTES 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.

APPRECIATION AND ACKNOWLEDGMENTS

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

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

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

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

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

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

Dinesh Patidar
Managing Director
DIN: -00549552

Place: - Pithampur
Dated:- August 12, 2019

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 USA	Shakti Pumps FZE UAE	Shakti Pumps PTY Limited. Australia	Shakti Pumps (Shanghai) Limited	Shakti Pumps (Bangladesh) Ltd.	Shakti Energy Solutions Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 68.35	AED 18.25	AUD 47.85	RMB 10.34	-	-
4.	Share capital	3331941	15656115	11781963	1691875	3726750	17556200
5.	Reserves & surplus	121161727	55037447	(1969583)	1736369	(351717)	131629083
6.	Total assets	144939178	166193374	10080116	7123161	3414239	343900337
7.	Total Liabilities	20445510	95499812	267736	3694917	39206	194715054
8.	Investments	-	-	-	-	-	-
9.	Turnover	216911388	549468890	5150919	39991118	-	59286488
10.	Profit before taxation	48649771	94752775	1842005	1925102	(8801)	2040156
11.	Provision for taxation	9956787	-	-	229581	-	525678
12.	Profit after taxation	38692984	94752775	1842005	1695521	(8801)	1514278
13.	Proposed Dividend	-	-	-	-	-	-
14.	% of shareholding	100	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

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

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

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

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

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 like minded 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.shaktipumps.com.

   Average net profit of the company for last three financial years:-

   Average net Profit Rs. 39,11,23,726/-

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. 63,70,153/-.

   The Total Amount required to be spent for the Financial 2018-19 of Rs. 1,15,21,243/-.

5. Details of CSR spend for the financial year:-

   a) Total amount spent for the financial year 2018-19: Rs. 46,32,193/-

   b) Amount unspent: 68,89,050/-

   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 upto reporting period (Rs.)	Amount spent: Direct or through Implementing agency (Rs.)
1	Donation of Laptop at Nayab Tahsildar Office	Social	Dhar	30,000	24,950	24,950	0
2	Donation of Laptop at Engineering College Howrah	Social	Howrah	85,000	81,500	1,06,450	0
3	Installation of Solar Pump system at Gurukul Ashram	Social	Hoshangabad	2,70,000	2,69,143	3,75,593	0
4	Installation of Solar Pump system at Indira Gandhi University	Social	New Delhi	5,50,000	5,44,500	9,20,093	0
5	Installation of Pump Sets at South Central Railway	Social	Secunderabad	50,000	38,940	9,59,033	0
6	Donation to Shakti Foundation	Social	Indore	20,50,000	20,50,000	30,09,033	0
7	Donation for Annual Function	Social	Mhow	5,000	5,000	30,14,033	0
8	Donation of Laptop at SGSITS College	Social	Indore	35,000	33,375	30,47,408	0
9	Donation to Juvenile Justice Board	Social	Dhar	55,000	52,500	30,99,908	0

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 upto reporting period (Rs.)	Amount spent: Direct or through Implementing agency (Rs.)
10	Donation to Indore Cancer Foundation	Social	Indore	1,00,000	1,00,000	31,99,908	0
11	Installation of Solar Pump system at IIT Delhi	Social	Delhi	13,00,000	12,08,285	44,08,193	0
12	Donation to IIM	Social	Indore	2,50,000	2,24,000	46,32,193	0

Implementing Agency: -

6. During the financial year Company has spent Rs. 46,32,193/- out of Rs. 1,15,21,243/- and the Company could not spend the remaining balance amount due to difficulties of fund allocation and need to 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 2019-20.

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	Pramod Kumar Bhavsar
Managing Director	Chairman CSR Committee
(DIN :00549552)	(DIN : 07825119)

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 2018-19 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 2018-19 (In Rs.)	Percentage Increase in Remuneration for the Financial Year 2018-19	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Dinesh Patidar Managing Director	2,32,50,000	38.40%	62.53
2	Mr. Sunil Patidar Whole- Time Director	23,72,000	0.82%	6.38
3	Mr. Ramesh Patidar Whole Time Director	37,59,000	21.25%	10.11
4	Mr. Akhilesh Maru Chief Financial Officer	22,39,356	0	6.02
5	Mr. Ravi Patidar Company Secretary	8,80,800	15.77%	2.37

2) The Median Remuneration of Employees of the Company during the financial year was Rs. 3,71845/-

3) There was an increase of 19.40% in median remuneration of employees during the financial year.

4) The number of permanent employees on the rolls of the Company is 641 for the year ended March 31, 2019.

5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year 2018-19 was 14.66% affirmed that remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

ANNEXURE "IV"

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

[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]

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 (herein after 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, 2019 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 here in after:

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, 2019 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 as amended from time to time;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015 as amended from time to time;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time.

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee StockPurchaseScheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (Not Applicable to the Company during the Audit Period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during the Audit Period)

   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 theCompaniesActand dealing withclient;

   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 (Buy back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (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 with respect to board and general meetings.

(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 except in respect of matter specified below:-

Sr.No	Compliance Requirement Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Clause 4 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations 2015. Designated Person and their immediate relatives shall not trade during the period of closure of the trading window.	Vintex Tools Private Limited, the Company belonging to the Promoter Group has purchased 4500 shares on 13.08.2018 by oversight, i.e. after the closure of trading window from 08.08.2018 to 18.08.2018.	Vintex Tools Private Limited, rectified the wrongful purchase by selling those 4500 shares in the open market immediately on next early trading day i.e 14.08.2018.

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

Manish Maheshwari
Proprietor
FCS-5174
CP-3860

Date : August 12, 2019
Place : Indore

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

Manish Maheshwari
Proprietor
FCS-5174
CP-3860

Date : August 12, 2019
Place : Indore

ANNEXURE "V"

Form MGT 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2019

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, Tel : + 91 7292 410552, Fax :+91 7292 410645
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, 1stFloor, 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 products/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

S.No.	Name	Address	Description
1	Shakti Pumps LLC, USA	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 454001 IN	Wholly-Owned Subsidiary
5	Shakti Pump (Shanghai) Ltd, China	Suite 137, 1st Floor, No.45 FEI La Road, Shanghai Free Trade Zone, China.	Wholly-Owned Subsidiary
6	Shakti Pumps (Bangladesh) Limited	Avenue Circle -1, 57-57A Gulshan Ave, Dhaka-1212	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	417694	0	417694	2.27	518994	0	518994	2.82	0.55
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)	**8767382**	**0**	**8767382**	**47.70**	**8868682**	**0**	**8868682**	**48.25**	**0.55**
(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 Shareholding of Promoters (A)=(A)(1) + (A)(2)	**8767382**	**0**	**8767382**	**47.70**	**8868682**	**0**	**8868682**	**48.25**	**0.55**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	14000	0	14000	0.08	14000	0	14000	0.08	0.00
b) Banks/FI	79758	0	79758	0.43	40385	0	40385	0.22	-0.21
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)									
i-1) Foreign Portfolio Investors	44544	0	44544	0.24	6253	0	6253	0.03	-0.21
i-2) Alternative Investment Fund	269645	0	269645	1.47	724978	0	724978	3.94	2.48
Sub Total : B(1)	**407947**	**0**	**407947**	**2.22**	**785616**	**0**	**785616**	**4.27**	**2.05**
(2) Non - Institutions									
a) Bodies Corporates									
ai) Indian	2606565	0	2606565	14.18	2385549	0	2385549	12.98	-1.20
aii) Overseas	1636363	0	1636363	8.90	1636363	0	1636363	8.90	0.00

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	
b) Individuals									
bi) Individual Shareholders holding nominal share capital upto Rs. 1 lac	2993255	61108	3054363	16.62	3153299	53708	3207007	17.45	0.83
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lac	1324772	24800	1349572	7.34	1034051	24800	1058851	5.76	-1.58
c) Any Other (Specify)									
c-1) Investor Education And Protection Fund	16520	0	16520	0.09	17850	0	17850	0.10	0.01
c-2) Non Resident Indians (Individuals)	300489	0	300489	1.63	296197	0	296197	1.61	-0.02
c-3) Directors	76848	0	76848	0.42	76848	0	76848	0.42	0.00
c-4) Trusts	138695	0	138695	0.75	21048	0	21048	0.11	-0.64
c-5) Clearing Member	25412	0	25412	0.14	26145	0	26145	0.14	0.00
Sub Total : B(2)	**9118919**	**85908**	**9204827**	**50.08**	**8647350**	**78508**	**8725858**	**47.47**	**-2.61**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**9526866**	**85908**	**9612774**	**52.30**	**9432966**	**78508**	**9511474**	**51.75**	**-0.55**
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)	**18294248**	**85908**	**18380156**	**100.00**	**18301648**	**78508**	**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	417694	2.27	0.00	518994	2.82	0.00	0.55
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	**8767382**	**47.70**	**24.79**	**8868682**	**48.25**	**24.51**	**0.55**

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

Sl No.	Shareholder's Name	Name of Promoter'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**	**VINTEX TOOLS PRIVATE LIMITED**	01/04/18	417694	2.27	417694	2.27
	Date wise Increase / Decrease in Promoters Share holding during the year		29/06/18	10000	0.05	427694	2.32
			02/07/18	10000	0.05	437694	2.37
			06/07/18	8000	0.05	445694	2.42
			18/07/18	11500	0.06	457194	2.48
			23/07/18	7000	0.04	464194	2.52
			28/09/18	18200	0.10	482394	2.62
			01/10/18	20000	0.11	502394	2.73
			03/10/18	3500	0.02	505894	2.75
			04/10/18	11100	0.06	516994	2.81
			10/12/18	2000	0.01	518994	2.82
	At the End of the year		31/03/19	NIL	NIL	520994	2.83
2	**At the beginning of the year**	**SUNIL MANOHARLAL PATIDAR**	01/04/18	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		31/03/19	0	0.00	1562200	8.50
3	**At the beginning of the year**	**SEEMA PATIDAR**	01/04/18	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		31/03/19	0	0.00	94000	0.51
4	**At the beginning of the year**	**DINESH PATIDAR**	01/04/18	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		31/03/19	0	0.00	3521488	19.16
5	**At the beginning of the year**	**INDIRA PATIDAR**	01/04/18	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		31/03/19	0	0.00	334000	1.82
6	**At the beginning of the year**	**GEETA PATIDAR**	01/04/18	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		31/03/19	0	0.00	610800	3.32

Sl No.	Shareholder's Name	Name of Promoter'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
7	**At the beginning of the year**	**PALLAVI PATIDAR**	01/04/18	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		31/03/19	0	0.00	341800	1.86
8	**At the beginning of the year**	**ANKIT PATIDAR**	01/04/18	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		31/03/19	0	0.00	1500000	8.16
9	**At the beginning of the year**	**AISHWARYA PATIDAR**	01/04/18	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		31/03/19	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**	**AFHOLDINGS**	01/04/2018	1636363	8.90	1636363	8.90
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2019	0	0.00	1636363	8.90
2	**At the beginning of the year**	**M L SECURITIES AND FINANCE PVT LTD**	01/04/2018	938994	5.11	938994	5.11
	Date wise Increase / Decrease in Share holding during the year		13/04/2018	-15000	0.08	923994	5.03
			20/04/2018	-25000	0.14	898994	4.89
			22/06/2018	-5000	0.03	893994	4.86
			14/09/2018	-25000	0.14	868994	4.73
	At the End of the year		31/03/2019	0	0.00	868994	4.73
3	**At the beginning of the year**	**VANTAGE EQUITY FUND**	01/04/2018	215000	1.17	215000	1.17
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	24000	0.13	239000	1.30
			10/04/2018	6000	0.03	245000	1.33
			13/04/2018	12000	0.07	257000	1.40

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
			27/04/2018	40000	0.22	297000	1.62
			04/05/2018	83000	0.45	380000	2.07
			11/05/2018	10000	0.05	390000	2.12
			18/05/2018	13000	0.07	403000	2.19
			25/05/2018	42000	0.23	445000	2.42
			01/06/2018	55000	0.30	500000	2.72
			08/06/2018	20000	0.11	520000	2.83
			24/08/2018	5000	0.03	525000	2.86
	At the End of the year		31/03/2019	0	0.00	525000	2.86
4	**At the beginning of the year**	**RAJAL SECURITIES PRIVATE LIMITED**	01/04/2018	463400	2.52	463400	2.52
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2019	0	0.00	463400	2.52
5	**At the beginning of the year**	**SNEHAL BHUPENDRA SHAH**	01/04/2018	360000	1.96	360000	1.96
	Date wise Increase / Decrease in Share holding during the year		12/10/2018	6000	0.03	366000	1.99
	At the End of the year		31/03/2019	0	0.00	366000	1.99
6	**At the beginning of the year**	**VINAY SECURITIES PRIVATE LIMITED**	01/04/2018	363000	1.97	363000	1.97
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2019	0	0.00	363000	1.97
7	**At the beginning of the year**	**BHUPENDRA SHAH**	01/04/2018	145000	0.79	145000	0.79
	Date wise Increase / Decrease in Share holding during the year		27/07/2018	-75000	0.41	70000	0.38
			14/09/2018	3000	0.02	73000	0.40
			28/09/2018	12000	0.07	85000	0.46
			05/10/2018	15000	0.08	100000	0.54
			12/10/2018	1000	0.01	101000	0.55
	At the End of the year		31/03/2019	0	0.00	101000	0.55
8	**At the beginning of the year**	**IA ALL CAP FUND**	01/04/2018	54645	0.30	54645	0.30
	Date wise Increase / Decrease in Share holding during the year		10/04/2018	3868	0.02	58513	0.32
			13/04/2018	15160	0.08	73673	0.40
			27/04/2018	3309	0.02	76982	0.42
			01/06/2018	16754	0.09	93736	0.51

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
			22/06/2018	24142	0.13	117878	0.64
			29/06/2018	12000	0.07	129878	0.71
	At the End of the year		31/03/2019	0	0.00	129878	0.71
9	**At the beginning of the year**	**MURALEEDHARAN KESAVAN**	01/04/2018	110000	0.60	110000	0.60
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	-4000	0.02	106000	0.58
			10/04/2018	-3000	0.02	103000	0.56
			13/04/2018	-9000	0.05	94000	0.51
			20/04/2018	-11912	0.06	82088	0.45
			27/04/2018	-42729	0.23	39359	0.21
			04/05/2018	-10000	0.05	29359	0.16
			27/07/2018	-5000	0.03	24359	0.13
			19/10/2018	-9359	0.05	15000	0.08
	At the End of the year		31/03/2019	0	0.00	15000	0.08
10	**At the beginning of the year**	**ABLAZE INFOTECH PRIVATE LIMITED**	01/04/2018	105600	0.57	105600	0.57
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2019	0	0.00	105600	0.57
11	**At the beginning of the year**	**V E C STRATEGIC VALUE FUND**	01/04/2018	83500	0.45	83500	0.45
	Date wise Increase / Decrease in Share holding during the year		11/05/2018	-41000	0.22	42500	0.23
			01/06/2018	-42000	0.23	500	0.00
			29/06/2018	-500	0.00	0	0.00
	At the End of the year		31/03/2019	0	0.00	0	0.00
12	**At the beginning of the year**	**RAMESH PATIDAR**	01/04/2018	76848	0.42	76848	0.42
	Date wise Increase / Decrease in Share holding during the year		.	NIL	NIL		
	At the End of the year		31/03/2019	0	0.00	76848	0.42

v) Shareholding of Directors and Key Managerial Personal

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**	**Dinesh Patidar**	01/04/2018	3521488	19.16	3521488	19.16
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0	3521488	19.16
2	**At the beginning of the year**	**Sunil Manohalal Patidar**	01/04/2018	1562200	8.5	1562200	8.5
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0	1562200	8.5
3	**At the beginning of the year**	**Ramesh Patidar**	01/04/2018	76848	0.42	76848	0.42
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0	76848	0.42
4	**At the beginning of the year**	**Navin S Patwa**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
5	**At the beginning of the year**	**S. S. Raghuvanshi**	01/04/2018	0	0.00	0	0.00
	Date wise Increase/Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
6	**At the beginning of the year**	**Pramod Kumar Bhavsar**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
7	**At the beginning of the year**	**Nishtha Neema**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
8	**At the beginning of the year**	**Sridhar Narayan**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
9	**At the beginning of the year**	**Akhilesh Maru**	01/04/2018	2	0.00	2	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	2	0.00
10	**At the beginning of the year**	**Dinesh Patel**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00
11	**At the beginning of the year**	**Ravi Patidar**	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2019	0	0.00	0	0.00

IV. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2018-19				
i) Principal Amount	8,729.35	2,157.65	0.00	10,887.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**8,729.35**	**2,157.65**	**0.00**	**10,887.00**
Change in Indebtedness during the financial year				
Addition	1,20,644.86	20,016.84	-	1,40,661.70
Reduction	1,16,708.07	18,314.89	-	1,35,022.96
Net Change	**3,936.79**	**1,701.95**	**-**	**5,638.74**
Indebtedness at the end of the financial year 2018-19				
i) Principal Amount	12,666.14	3,859.60	0.00	16,525.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**12,666.14**	**3,859.60**	**0.00**	**16,525.74**

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	2,32,50,000	12,00,000	30,00,000	2,74,50,000
	(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		11,72,000	2,59,000	14,31,000
	Total	**2,32,50,000**	**23,72,000**	**37,59,000**	**2,93,81,000**
	Ceiling as per the Act	Rs. 4.35 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. Raghuwanshi	Mr. Navin S Patwa	Mr. Pramod Kumar Bhavsar	Mrs. Nishtha Neema	Total
1	- Fee for attending Board/ Committee Meetings	80,000	1,20,000	1,20,000	1,20,000	4,40,000
2	- Commission	Nil	Nil	Nil	Nil	Nil
3	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total B.1	**80,000**	**1,20,000**	**1,20,000**	**1,20,000**	**4,40,000**
	Ceiling as per the Act					

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

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.	8,80,800	22,39,359	31,20,159
	(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	**8,80,800**	**22,39,359**	**31,20,159**
	Ceiling as per the Act	Rs. 4.35 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. 4.79 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, 2019.

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

Ravi Patidar
Company Secretary
M. No. A32328

ANNEXURE "VI"

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]

Sr. 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 and inverters across globe and company made solar business as key focus area of business. This solar power could transform our agricultural landscape and improve quality of life in rural and urban India ensuring energy security to the poor and marginalizes. This would immensely help climate change mitigation efforts by in line with global. The company is also working towards the solar chulha and home lighting systems to improve the quality of rural personals.
3	the capital investment on energy conservation equipments	We have invested heavily on R&D and other renewable energy applications and equipments such as solar simulators for solar pumps and inverter development and testing setups, power quality measurement equipments, load banks, grid simulators etc.
Technology absorption:-		
(i)	the efforts made towards technology absorption	We have indigenously developed solar pumping technologyand 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. We have also collaborated with IIT Delhi and other premium institutes for research and development in motor pumps and power converter technology.
(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.

Sr. No.	Particulars	
(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. 6.03 Cr.
Foreign exchange earnings and Outgo:-		
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	Rs. 1,197,686,163.30
(ii)	The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 576,321,130.93

Report on Corporate Governance

"I believe that nothing can be greater than a business, however small it may be, that is governed by 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 is 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 provides an overview of the organization its history, values culture and purpose and Independent directors take overviews of Business and Function from through their respective businesses and functional heads. 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 Board Evaluation

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

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Chairman and Managing Director of the Company along with the Chairman of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the

functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

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

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

2.3 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 During the year ended March 31, 2019, 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.

2.4 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.

2.5 Separate Meeting of Independent Directors: -

i) In accordance with the provisions of Schedule IV of the Companies Act 2013, and regulation 25(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a separate meeting of the Independent Director was held on October 16, 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 flow of information between Company Management and Board.

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

Mr. S. S. Raghuvanshi has resigned with effect from March 20, 2019.

2.7 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, 2019, Six Board meetings were held on May 15, 2018, August 02, 2018, August 16, 2018, October 16, 2018, February 12, 2019, and March 20, 2019. The maximum time gap between two consecutive meetings was not more than one hundred and twenty days.

The necessary quorum was present at all the meetings.

2.8 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 Independent Directors and Nominee Director of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of 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 provisions of 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 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 are Non-Executive Independent Directors. All the members have adequate knowledge in the areas of finance and accounting.

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

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

Terms of Reference: -

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

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

2) Considering and recommending the appointment, re-appointment of 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 and reasons for the same.

   c) Major accounting entries involving estimates based on the exercise of judgment by management.

   d) Significant adjustments made in the financial statements arising out of audit findings.

   e) Compliance with listing and other legal requirements relating to financial statements.

   f) Disclosure of any related party transactions.

   g) Qualifications in the draft audit report.

4) Reviewing with the management the quarterly financial statements before submission to the board for approval.

5) Reviewing with the management the statement of uses / application of Funds raised through an issue (Public, Right, Preferential Issues), The Statements of funds utilized for purposes other than those stated in the offer document Notices / Prospectus / Notice and Report submitted by the Monitoring agency the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in the matter.

6) Review and monitor the auditor's independence, performance and effectiveness of Audit Process.

7) Approval or any subsequent modification of transactions of the company with related Parties.

8) Scrutiny of Inter Corporate Loans and Investments.

9) Valuation of Undertakings or Assets of the Company where ever it is necessary.

10) Evaluation of Internal Financial Control and Risk Management.

11) Reviewing with Management Performance of Statutory and Internal Auditor Adequacy of Internal Control Systems.

12) Reviewing the adequacy of Internal Audit Function, if any including the Structure of Internal Audit Department, Staffing and Seniority of the Official Heading of the Department, Reporting Structure Coverage and Frequency of Internal Audit.

13) Discussion with Internal Auditors of any Significant Findings and follow- up thereon.

14) Reviewing the Findings of any Internal Investigations by the Internal Auditors into matters where there is suspected Fraud or Irregularity or failure of Internal Control Systems of a material Nature and reporting the matter to the Board.

15) Discussion with Statutory Auditor before the Audit Commences, about the nature and Scope of Audit as well as post Audit Discussion to ascertain any area of Concern.

16) To look into reasons for substantial defaults in the payment to the Depositors, Debentureholders, Shareholders (In case of Non Payment of Declare Dividend) and Creditors.

17) To Review the functioning of the Whistle Blower Mechanism.

18) Approval of Appointment of CFO (i.e. Whole time Finance Director or any other Person heading the Finance Function for discharging that Function) after assessing the qualification experience and background etc of the candidate.

19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

During the financial year ended March 31, 2019, 6 (Six) meeting of the Audit Committee were held on May 15, 2018, August 02, 2018, August 16, 2018, October 16, 2018, February 12, 2019, and March 20, 2019.

S. No	Name	Category	Number of meetings during the year 2018-19.	
			Held	Attended
1	Mrs. Nishtha Neema	Independent Director	6	6
2	Mr. Shyam Sunder Raghuvanshi	Independent Director	5	4*
3	Mr. Dinesh Patidar	Executive Director	6	6

* Mr. S. S. Raghuvanshi has resigned with effect from March 20, 2019.

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. During the year the Company has reconstituted Nomination and Remuneration Committee which Comprises of 3 (Three) members namely, Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhavsar and Mrs. Nishtha Neema all are Independent Directors. Mr. S. S. Raghuvanshi has been replaced by Mr. Pramod Kumar Bhavsar on May 15, 2018.

During the financial year ended March 31, 2019, 2 (two) Meeting was held during the year i.e. August 16, 2018, and March 20, 2019 the details of meetings held and attendances are as follows: -

S. No	Name	Category	Number of meetings during the year 2018-19.	
			Held	Attended
1	Mr. Navin Sunderlal Patwa	Independent Director	2	2
2	Mr. Pramod Kumar Bhavsar	Independent Director	2	2
3	Mrs. Nishtha Neema	Independent Director	2	2

Terms of References: -

Terms of reference of committee broadly are as under: -

1) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the Directors, key Managerial Personnel and other employees.

2) Formulation or criteria for evaluation of Independent Directors of the Board.

3) Devising a Policy on Board diversity: and

4) Identifying Persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Directors Performance.

Details of Remuneration paid/ payable to the Directors during the Financial Year 2018-19 are as follows: -

Name	Category	Salary	Perquisites	Sitting fees
Mr. Dinesh Patidar	Executive	2,32,50,000	Nil	Nil
Mr. Sunil Patidar	Executive	12,00,000	11,72,000	Nil
Mr. Ramesh Patidar	Executive	30,00,000	7,59,000	Nil
Mr. Shyam Sunder Raghuvanshi	Independent	Nil	Nil	80,000
Mr. Navin Sunderlal Patwa	Independent	Nil	Nil	1,20,000
Mr. Sridhar Narayan	Nominee	Nil	Nil	Nil
Mrs. Nishtha Neema	Independent	Nil	Nil	1,20,000
Mr. Pramod Kumar Bhavsar	Independent	Nil	Nil	1,20,000

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 / rematerialization of shares and consolidation, Splitting of Certificate Redressal of complaints from investors etc.

The committee comprises of 3 (three) members namely Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhavsar, and Mr. Akhilesh Maru. During the year Mr. Shyam Sunder Raghuvanshi has been replaced by Mr. Pramod Kumar Bhavsar.

During the financial year ended March 31, 2019, 4 (Four) Meeting were held during the year i.e. May 15, 2018, August 02, 2018, October 16, 2018, and February 12, 2019, and the details are as follows: -

S. No	Name of Member	Category	Number of meetings during the year 2018-19.	
			Held	Attended
1	Mr. Shyam Sunder Raghuvanshi	Independent Director	*1	*1
2	Mr. Navin Sunderlal Patwa	Independent Director	4	4
3	Mr. Pramod Kumar Bhavsar	Independent Director	3	3
4	Mr. Akhilesh Maru	CFO	4	4

Terms of Reference: -

Terms of reference of committee broadly as under: -

1) Looks into the Shareholders Complaints like Non Receipt of Dividend warrants, Non-receipt of Annual reports, Transfer of Shares Issue of Duplicate Share Certificates, Approving Demat Request.

2) Oversee the Performance of Share Transfer Agent and recommend measures for overall improvement in the Investor Services.

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 recommend to the Board a Corporate Social responsibility policy which shall indicate the Activities to be undertaken by the Company as specified in the Schedule VI of the Companies Act, 2013.

2) To recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) in a financial year.

3) To monitor the Corporate Social responsibility policy of the Company from time to time and

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

Composition: -

The Committee Comprises of 3 (Three) Members.

During the year Mr. Shyam Sunder Raghuvanshi has been replaced by Mr. Pramod Kumar Bhavsar.

The reconstituted Committee is having following members namely:

1) Mr. Pramod Kumar Bhavsar,

2) Mr. Navin S Patwa and

3) Mrs. Nishtha S Neema.

During the financial year ended March 31, 2019, 2 (two) Meeting was held during the year i.e. August 16, 2018 and February 12, 2019, the details are as follows: -

S. No	Name	Category	Number of meetings during the year 2018-19.	
			Held	Attended
1	Mr. Shyam Sunder Raghuvanshi	Independent Director	2	1
2	Mrs. Nishtha Neema	Independent Director	2	2
3	Mr. Navin S Patwa	Independent Director	2	2

4. GENERAL BODY MEETINGS: -

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

Year	AGM/ EGM	Date of AGM/EGM	Time	Venue
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	12:30 P.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)-454774.
2017-18	AGM	September 27, 2018	12.30 P.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: -

21st Annual General Meeting held on September 27, 2016, Three Special Resolutions was passed as Special resolution 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 and 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 Resolutions was passed as Special resolution 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 October 17, 2016 till October 16, 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 July 30, 2017 to July 29, 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 September 1, 2015 till August 31, 2018.

iv) Approval for Related Party Transactions.

23rd Annual General Meeting held on September 27, 2018, One Special Resolution was passed as Special resolution as mentioned hereunder: -

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

5. Postal ballot: -

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

6. Subsidiary Companies: -

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

7. 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.

8. Disclosures: -

8.1 Disclosure on materially related party transactions: -

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

8.2 Disclosure on accounting treatments:-

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

8.3 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.

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

i) The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges as well as regulations and guidelines of SEBI No penalties/ strictures were imposed against by SEBI and Stock Exchanges any other statutory authority on any matter related to the capital market during last three years.

ii) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities 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 2018-19 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.

8.5 Vigil Mechanism/ Whistle Blower Policy: -

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

8.6 Policy regarding Material subsidiaries: -

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

8.7 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) Regulations, 2015.The same has been displayed in the Company's website (www.shaktipumps.com).

9. 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.

10. Policy on Dividend Distribution

During the year the Board of Directors had adopted amended Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company i.e. www.shaktipumps.com.

11. Disclosure of Pending Cases / Instances of Non-Compliance

There were non-compliances for delay in filling Shareholding pattern by one day at National Stock Exchange India Limited, for which the company was levied a fine of Rs. 2000/- and the same has been paid by the Company within the prescribed time frame and no instances of penalties and strictures imposed on the Company by SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

The Company has not pleaded in certain legal cases related to disputes to shares arising in the ordinary course of share transfer operations.

12. Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2018-19 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

13. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2018-19 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

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

14. Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. M. Maheshwari & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

15. 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. The Company has placed all the Disclosure on website in terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

(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.

16. General Shareholders Information: -

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

Day	:	Friday
Date	:	September 27, 2019
Time	:	12:30 P.M.
Venue	:	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

16.2 Financial Calendar 2019-20

Financial Reporting for the Quarter ending June 30, 2019:- On or before August 15, 2019.

Financial Reporting for the Quarter ending September 30, 2019:- On or before November 15, 2019.

Financial Reporting for the Quarter ending December 31, 2019:- On or before February 15, 2020.

Financial Reporting for the Quarter ending March 31, 2020 –On or before May 30, 2020.

16.3 DIVIDEND: -

A dividend at the rate of 50% i.e. Rs. 5.00/- per Equity Share is recommended by the Board of Directors at their Meeting held on May 10, 2019 which is subject to the approval at the ensuing Annual General Meeting, and if approved will be payable on or after September 27, 2019 but within the Statutory time limit of 30 days.

16.4 Book Closure Date: -

From Friday, September 20, 2019, to Friday, September 27, 2019, (both days inclusive) for the purpose of Annual General Meeting and Declaration of Dividend.

16.5 Unclaimed Dividend: -

During the year, dividend amounting to 3,68,261/- that had not been claimed by the shareholders for the year ended March 31, 2011 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, 2012, in October 2019.

All shareholders who have not so far encased the dividend for the said period are requested to lodge their claims before September 30, 2019.

16.6 Listing on the Stock Exchanges: -

Company's equity shares are listed on the following stock exchanges. The annual listing fee for the year 2018-19 has been paid to both these stock exchanges.

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

16.7 ISIN Code: - INE908D01010.

16.8 Custodial fee:- The Company has paid the custodial fee to the NSDL and CDSL for the Financial Year 2018-19.

16.9 Corporate Identification Number (CIN):-

L29120MP1995PLC009327.

16.10 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 18	790.00	548.50	23,63,295
May 18	764.00	543.00	9,52,175
Jun 18	576.00	452.50	4,98,566
Jul 18	501.00	392.00	3,68,561
Aug 18	503.50	415.95	2,97,196
Sep 18	442.75	293.50	1,80,377
Oct 18	474.55	291.00	4,02,635
Nov 18	411.25	368.05	1,14,602
Dec 18	434.85	324.80	2,41,471
Jan 19	447.00	368.00	2,23,186
Feb 19	415.50	347.20	1,72,129
Mar 19	410.50	364.00	1,98,484

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

Month	Highest	Lowest	Total No. of Shares traded
Apr 18	789.90	547.75	1,46,04,711
May 18	763.80	541.00	48,37,660
Jun 18	574.90	454.05	22,37,972
Jul 18	494.80	392.35	22,64,516
Aug 18	504.40	415.55	18,74,993
Sep 18	444.00	293.30	12,68,194
Oct 18	474.90	297.20	29,61,597
Nov 18	411.00	368.00	6,66,214
Dec 18	435.00	325.00	19,95,482
Jan 19	447.00	366.00	17,40,701
Feb 19	415.00	348.05	9,14,405
Mar 19	411.75	364.00	15,98,060

16.11 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.

15.12 Shareholding as on March 31, 2019: -

A. Distribution of Shareholding as on March 31, 2019.

Range of equity shares held	No. of Shareholders	%	Number of Shares	Face Value per equity shares (in Rs.)	% of Shareholding
Up to-5000	16481	91.53	447374	4473740	2.43
5001-10,000	588	3.26	737511	7375110	4.01
10,001-20,000	542	3.00	470553	4705530	2.56
20,001-30,000	146	0.81	774519	7745190	4.21
30,001-40,000	73	0.40	336317	3363170	1.83
40,001-50,000	35	0.20	229546	2295460	1.25
50,001-1,00,000	66	0.37	201283	2012830	1.10
1,00,000 and Above	75	0.43	13660825	136608250	74.32
Total	18006	100.00	18380156	183801560.00	100.00

B. Categories of Shareholding as on March 31, 2019.

S.N.	Category	Number of Shares holders	% of Shareholders	No. of Shares	% of Shareholding
1	Resident Individuals	17083	94.87	4265858	23.21
2	Non Resident Indians (Individuals)	395	2.19	296197	1.61
3	Corporate Bodies (Promoters)	1	0.01	518994	2.82
3	Corporate Bodies	386	2.14	2371458	12.90
4	Mutual funds	1	0.01	14000	0.08
5	Banks	2	0.01	24502	0.13
6	Directors (Promoters)	2	0.02	50,83,688	27.66
7	Directors	1	0.01	76,848	0.42
8	Directors Relatives (Promoters)	9	0.05	3266000	17.77
9	Financial Institutions	1	0.01	15883	0.09
10	Trust	8	0.04	21048	0.14
11	Clearing Member	102	0.57	26145	0.14
12	Corporate Body (Broker)	6	0.03	14091	0.08
13	Foreign Corporate Bodies	1	0.01	1636363	8.90
14	Investor Education and Protection Fund	1	0.01	17850	0.10
15	Foreign portfolio Investor	2	0.01	6253	0.03
16	Alternate Investment Fund	4	0.02	724978	3.94
	Total	**18006**	**100.00**	**18380156**	**100.00**

C. Dematerialization of Shares March 31, 2019.

S.N.	Mode of Holding	No. of Shareholders	No. of Shares	% age
1	CDSL	8442	4613736	25.10
2	NSDL	9533	13687912	74.47
3	Physical	31	78508	0.43
Total		**18006**	**18380156**	**100**

99.59% of the Company's Paid-up Equity Share Capital is dematerialized as on March 31, 2019. Trading in Equity Shares of the Company is permitted only in dematerialized form.

15.13 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

15.14 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

ANNEXURE TO
CORPORATE GOVERNANCE REPORT
CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

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

We have examined the following documents: -

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of Shakti Pumps (India) Limited ('the Company') bearing CIN: L29120MP1995PLC009327 and having its Registered Office at Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur M.P. 454774, to the Board of Directors of the Company ('the Board') for the financial year 2019-20. We have considered non-disqualification to include non-debarment.

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

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

Sr. No.	Name of Director	Director Identification Number (DIN)
1	Mr. Dinesh Patidar	00549552
2	Mr. Sunil Manoharlal Patidar	02561763
3	Mr. Ramesh Patidar	00931437
4	Mr. Navin Sunderlal Patwa	01009404
5	Mrs. Nishtha Neema	01743710
6	Mr. Pramod Kumar Bhavsar	07825119
7	Mr. Sridhar Narayan	00137243

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended March 31, 2019.

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

Manish Maheshwari
Proprietor
FCS-5174
CP-3860

Date : August 12, 2019
Place : Indore

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 March 31, 2019 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 For PGS & Associates
Chartered Accountants
(FRN: 122384W)

Date: May 10, 2019
Place: Mumbai

Premal Gandhi
(Partner)
M. No.: 111592

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: 10.05.2019

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, 2019 and that to the best of our knowledge and belief;
   i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing IND AS, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

e) We have indicated, to the Auditors and the Audit Committee:-
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully,

For Shakti Pumps (India) Limited

Dinesh Patidar
Managing Director
(DIN:-00549552)

For Shakti Pumps (India) Limited

Dinesh Patel
Chief Financial Officer

DECLARATION OF CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its member and senior management personnel of the Company and the same has also been posted on the Company's website. It is further confirmed that All the Director and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2019, as envisaged under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Date: May 10, 2019
Place: Pithampur

Dinesh Patidar
Managing Director

Independent Auditors' Report

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Shakti Pumps (India) Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Sr. No.	Key Audit Matter	Auditor's Response
1	and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 21 to the Standalone Financial Statements	• Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of contracts including customer acceptances, subsequent invoicing and historical trend of collections and disputes. • Sample of revenues disaggregated by type and product was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and product offerings.
2	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 29 to the Standalone Financial Statements	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

2. 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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W

Premal Gandhi
Partner
Membership Number: 111592
Place: Pithampur
Date: May 10, 2019

ANNEXURE -A TO THE INDEPENDENT AUDITOR'S 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 financial statements for the year ended March 31, 2019.

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 March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W

Premal Gandhi
Partner
Membership Number: 111592
Place: Pithampur
Date: May 10,2019

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

The Annexure-B referred to in the Independent Auditors' Report of even date to the Members of Shakti Pumps (India) Limited ('the Company') on the financial statements for the year ended March 31, 2019, we report that:

i. In respect of its Fixed Assets:

   a. The Company has maintained proper records showing full, 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, GST, duty of custom, 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, duty of custom, 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, Commercial Tax, which have not been deposited on account of any dispute, are as follows.

Name of Statute	Nature of Dues	Amount Involved (Rs. lacs)	Unpaid (Rs. lacs)	Period to which the amount relates (FY)	Forum where the Dispute is Pending
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	-	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
Commercial Tax	VAT & CST	30.17	20.80	2016-17	Appellate Authority, Commercial Tax, Indore
Income Tax Act, 1961	Income Tax	3,759.64	3,009.60	2009-10 to 2015-16	CIT Appeal, Bhopal/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 PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W

Premal Gandhi
Partner
Membership Number: 111592
Place: Pithampur
Date: May 10, 2019

Balance Sheet as at March 31, 2019

(₹ in lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant and Equipment	3	12,632.71	11,808.84
(b) Capital Work-In-Progress	3	34.38	2.02
(c) Intangible Assets	4	179.36	58.82
(d) Intangible Assets Under Development	4	91.03	-
(e) Financial Assets	5		
(i) Investments	5.1	1,807.67	1,018.93
(f) Non-Current Tax Assets (Net)	6	335.86	333.88
(g) Other Non-Current Assets	7	1,618.84	410.91
Total Non-Current Assets		**16,699.85**	**13,633.40**
2 Current Assets			
(a) Inventories	8	11,493.20	9,988.14
(b) Financial Assets	9		
(i) Trade Receivables	9.1	17,238.36	15,180.04
(ii) Cash And Cash Equivalents	9.2	144.29	766.95
(iii) Bank Balance Other than Above	9.3	1,337.72	1,241.03
(iv) Other Financial Assets	9.4	642.40	701.75
(c) Current Tax Assets (Net)	10	156.70	-
(d) Other Current Assets	11	6,502.28	3,354.33
Total Current Assets		**37,514.94**	**31,232.24**
Total Assets		**54,214.79**	**44,865.64**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	25,410.70	23,063.95
Total Equity		**27,248.72**	**24,901.97**
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	980.21	1,320.00
(b) Provisions	15	456.39	374.82
(c) Deferred Tax Liabilities (Net)	16	1,170.92	998.64
Total Non-Current Liabilities		**2,607.52**	**2,693.46**
2 Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	14,843.81	9,127.01
(ii) Trade Payables			
- Dues of Micro and Small Enterprise	17.2	1,339.44	-
- Dues of Other than Micro and Small Enterprise		5,197.79	4,858.24
(iii) Other Financial Liabilities	17.3	2,368.50	2,282.61
(b) Provisions	18	14.56	10.91
(c) Other Current Liabilities	19	594.45	740.83
(d) Current Tax Liabilities (Net)	20	-	250.61
Total Current Liabilities		**24,358.55**	**17,270.21**
Total Equity And Liabilities		**54,214.79**	**44,865.64**
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 39		

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Statement of Profit & Loss for the year ended March 31, 2019

(₹ in lacs)

	Particulars	Note No.	2018-19	2017-18
I	Revenue from Operations	21	52,311.08	41,314.06
II	Other Income	22	280.15	287.46
III	**Total Revenue (I+II)**		**52,591.23**	**41,601.52**
IV	**Expenses**			
	Cost of Materials Consumed	23	33,407.00	23,362.91
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	(525.49)	53.91
	Employee Benefits Expenses	25	5,044.32	4,317.57
	Finance Costs	26	1,673.79	1,359.06
	Depreciation and Amortisation Expense	3&4	1,487.62	1,394.72
	Other Expenses	27	6,972.58	6,587.36
	Total Expenses (IV)		**48,059.83**	**37,075.53**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		4,531.40	4,525.99
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before Tax (V-VI)**		**4,531.40**	**4,525.99**
VIII	**Tax Expense:**			
	(1) Current Tax		1,216.02	1,586.74
	(2) Deferred Tax		172.27	154.51
IX	**Profit/(loss) for the year (VII-VIII)**		**3,143.10**	**2,784.74**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains / (loss) on defined benefit plans		35.93	5.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.44)	(2.01)
	Total Comprehensive Income for the year (X)		**23.49**	**3.80**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**		**3,166.60**	**2,788.54**
XII	Earnings per equity share [nominal value of share Rs. 10/-]	30		
	(1) Basic		17.10	15.15
	(2) Diluted		17.10	15.15

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Cash Flow Statement for the year ended March 31, 2019

(₹ in lacs)

	Particulars	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit & loss before tax as per profit & Loss Account		4,531.40		4,525.99
	Adjusted For :				
	Depreciation and Amortisation Expense	1,487.62		1,394.72	
	Interest Income	(80.25)		(174.23)	
	Interest Paid	1,332.49		1,034.73	
	Re-measurement (gains) / loss on defined benefit plans	35.93		5.82	
	Unrealised Exchange (gain)/loss (net)	165.08		103.54	
	(Profit) /Loss on sale of property, plant and equipment (net)	(0.02)	2,940.85	(2.35)	2,362.23
			7,472.25		**6,888.22**
	Operating Profit Before Working Capital Changes				
	Adjusted For :				
	(Increase)/Decrease in Trade and Other Receivables	(6,304.37)		(46.79)	
	(Increase)/Decrease in Inventories	(1,505.06)		(1,453.78)	
	Increase/(Decrease) in Trade and other payables	1,309.52	(6,499.91)	(1,630.77)	(3,131.34)
	Net Cash Flow From Operating Activities		**972.34**		**3,756.88**
	Income taxes (paid)/refund (net)	(1,637.73)	(1,637.73)	(1,641.69)	(1,641.69)
	Net Cash Flow From/(Used In) Operating Activities (A)		**(665.39)**		**2,115.19**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	(2,411.21)		(1,117.48)	
	Purchase of Intangible Assets	(219.11)		(34.35)	
	Movement in Advance for Capital Goods	(98.91)		11.03	
	Movement in Capital Work-in-Progress	(32.35)		(2.03)	
	Sale of Fixed Assets	107.27		11.83	
	Investment in Subsidiaries	(788.75)		(814.13)	
	Interest Received	96.09		155.16	
	Deposits with banks	(96.69)		(321.97)	
	Net Cash Flow From/(Used In) Investing Activities (B)		**(3,443.66)**		**(2,111.94)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings	629.13		1,500.00	
	Repayment of Long Term Borrowings	(707.20)		(924.12)	
	Proceeds from Short Term Borrowings (Net)	5,716.81		1,545.08	
	Dividend Paid including tax thereon	(819.86)		(442.44)	
	Interest Paid	(1,332.49)		(1,034.73)	
	Net Cash Flow From/(Used In) Financing Activities (C)		**3,486.39**		**643.79**
	Net Change in Cash & Cash Equivalents (A+B+C)		**(622.66)**		**647.04**
	Cash & Cash Equivalents at the beginning of the year		766.95		119.91
	Cash & Cash Equivalents at the end of the year		**144.29**		**766.95**

1. Figures in brackets represent Cash Outflow.
2. Cash and Cash Equivalents comprise of :

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash In Hand	1.15	1.54
Balance with Scheduled Banks	46.53	38.63
Fixed Deposit with Maturity Less than three months	96.61	726.78
Total	**144.29**	**766.95**

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Statement of Changes in Equity for the year ended March 31, 2019

a. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares of Rs. 10/- each		
Balance at the beginning of the year	1,838.02	1,838.02
Add : Shares issued during the year	-	-
Balance at the end of the year	**1,838.02**	**1,838.02**

b. OTHER EQUITY

(₹ in lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Total Equity
	Surplus in P/L Statement	General Reserve			
Balance as at March 31, 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	2,784.74	-	-	-	2,784.74
Other Comprehensive Income (Net of Taxes)	3.80	-	-	-	3.80
Balance as at March 31, 2018	**4,493.07**	**9,752.49**	**20.58**	**8,797.82**	**23,063.95**
Dividend paid including tax thereon	(819.86)	-	-	-	(819.86)
Profit for the year	3,143.10	-	-	-	3,143.10
Other Comprehensive Income (Net of Taxes)	23.49	-	-	-	23.49
Balance as at March 31, 2019	**6,839.80**	**9,752.49**	**20.58**	**8,797.82**	**25,410.70**

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Notes to the Financial Statements for the year ended March 31, 2019

1. Corporate Information:

Shakti Pumps India Limited ("SPIL'' or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. SPIL is engaged in manufacturing of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps etc.

2. Basis of preparation of financial statements and significant accounting policies:

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

2.2 Basis of Measurement

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

The statement of cash flows has been prepared under indirect method.

2.3 Use of judgments, estimates and assumptions

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

2.4 Property, plant and equipment

Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

Notes to the Financial Statements for the year ended March 31, 2019

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.

The estimated useful lives are as mentioned below:

Type of asset	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

2.5 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation is not recorded on intangible assets under development until development is complete and the asset is ready for its intended use.

The intangible asset are amortised over the estimated useful lives as given below: -

Computer Software : 15 years

2.6 Inventories

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

2.7 Research and Development Expenditure

Revenue expenditure on research & development is charged to the Statement of Profit and Loss of the year in which it is incurred.

Capital expenditure incurred during the period on research & development is accounted for as an addition to property, plant & equipment.

2.8 Foreign currencies transactions

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.9 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the year in which they are incurred.

2.10 Current and Non-Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.11 Investment

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

2.12 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognised in the period in which the employee renders the related service.

Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case

of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined contribution plans

Company's contribution to Provident Fund, ESIC scheme for the year is charged to Profit and Loss account. Retirement benefit, medical reimbursement and leave payments to employees are recognise as employee benefit expense when they are due.

2.13 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expenses are recognised in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI) 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 basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets (if any) are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets/liabilities are reviewed at each balance sheet date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

2.14 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.

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

The Company derives revenues primarily from business of Sales of pumps and motors.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted net of returns, allowances, trade discounts and volume discounts and GST etc.

Dividend and interest income is recorded when the right to receive payment is established.

2.17 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.

Notes to the Financial Statements for the year ended March 31, 2019

NON - CURRENT ASSETS

3. Property, Plant and Equipment and Capital Work-In-Progress

(₹ in lacs)

Particulars	Other than Research and Development								Research and Development					Total	Capital Work-In-Progress
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools	Computers	Furniture & Fixtures	Office Equipment		
Gross Carrying Amount															
As at April 1, 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
Sales/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**
Additions	-	239.72	615.26	903.31	91.24	96.06	80.28	117.31	49.16	185.72	2.87	0.76	29.50	2,411.19	32.35
Sales/Disposals/ Adjustments	-	-	62.29	62.30	5.89	2.92	0.58	6.48	-	-	-	-	-	140.46	-
As at March 31, 2019	**178.38**	**3,610.36**	**7,748.47**	**8,391.13**	**645.20**	**600.57**	**238.34**	**478.31**	**49.16**	**185.72**	**2.87**	**0.76**	**29.50**	**22,158.77**	**34.38**
Accumulated Depreciation															
As at April 1, 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	-
Sales/Disposals/ Adjustments	-	0.13	0.02	0.05	0.28	-	-	0.16	-	-	-	-	-	0.64	-
As at March 31, 2018	**-**	**545.06**	**2,710.99**	**3,991.79**	**357.46**	**258.87**	**66.17**	**148.87**	**-**	**-**	**-**	**-**	**-**	**8,079.19**	**-**
Charge for the Year	-	90.15	461.57	743.56	68.75	47.37	20.74	37.87	0.78	7.32	0.18	0.06	1.73	1,480.08	-
Sales/Disposals/ Adjustments	-	-	20.02	4.94	1.87	0.04	0.58	5.78						33.21	-
As at March 31, 2019	**-**	**635.21**	**3,152.54**	**4,730.42**	**424.34**	**306.20**	**86.33**	**180.96**	**0.78**	**7.32**	**0.18**	**0.06**	**1.73**	**9,526.06**	**-**
Net Block Value															
As at March 31, 2018	**178.38**	**2,825.58**	**4,484.51**	**3,558.33**	**202.39**	**248.56**	**92.47**	**218.62**	**-**	**-**	**-**	**-**	**-**	**11,808.84**	**2.02**
As at March 31, 2019	**178.38**	**2,975.15**	**4,595.93**	**3,660.71**	**220.86**	**294.37**	**152.01**	**297.35**	**48.38**	**178.40**	**2.70**	**0.70**	**27.77**	**12,632.71**	**34.38**

A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.

B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No.14.1 & 17.1

C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is Rs. 122.04 lacs as at March 31, 2019 (Rs. 532.23 lacs as at March 31, 2018).

D. The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.

E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment.(Refer accounting policies 2.7)

4. Intangible Assets

(₹ in lacs)

Particulars	Computer Software	Intangible Assets Under Development
Gross Carrying Amount		
As at April 1, 2017	**27.33**	**-**
Additions	34.34	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2018	**61.68**	**-**
Additions	128.08	91.03
Sales/Disposals/Adjustments	-	-
As at March 31, 2019	**189.75**	**91.03**
Accumulated Depreciation		
As at April 1, 2017	**0.18**	**-**
Charge for the Year	2.68	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2018	**2.86**	**-**
Charge for the Year	7.54	-
Disposals/Adjustments	-	-
As at March 31, 2019	**10.40**	**-**
Net Block Value		
As at March 31, 2018	**58.82**	**-**
As at March 31, 2019	**179.36**	**91.03**

A. **Capital commitment:** The estimated amount of contracts remaining to be executed on capital account, and not provided for is Nil as at March 31, 2019 (Rs. 165.11 lacs as at March 31, 2018).

NON - CURRENT ASSETS

5 Financial Assets

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

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Subsidiaries :		
i) Equity Instrument of Subsidiaries	1,807.65	1,018.91
Investments in Others :		
ii) Equity Instrument of Others (in Cosmos Bank)	0.02	0.02
	1,807.67	**1,018.93**

(a) **Equity Instrument of Subsidiaries**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
17,55,620 Shares of Shakti Energy Solution Pvt Ltd (Rs. 10 each)	1,445.77	711.21
(As at March 31, 2018, 8,81,144 shares)		
6 Shares of Shakti Pumps FZE (AED 1,50,000 each)	156.56	156.56
(As at March 31, 2018, 6 shares)		
65,000 Shares of Shakti Pumps USA LLC (USD 1 each)	33.32	33.32
(As at March 31, 2018, 65,000 shares)		
2,40,000 Shares of Shakti Pumps Pty Ltd. (AUD 1 each)	117.82	117.82
(As at March 31, 2018, 2,40,000 shares)		
41,000 Shares of Shakti Pumps (Bangladesh) Limited (Taka 100 each)	37.27	-
Investment in Shakti Pumps (Shanghai) Limited	16.92	-
Total	**1,807.65**	**1,018.91**

Note: The Company hold 100% share capital of all the companies.

Notes to the Financial Statements for the year ended March 31, 2019

6 Non-Current Tax Assets (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Net Income Tax Assets	335.86	333.88
Total	**335.86**	**333.88**

7 Other Non-Current Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
(i) Balances with Government Authorities	1,511.23	402.21
(ii) Capital Advances	107.61	8.70
Total	**1,618.84**	**410.91**

CURRENT ASSETS

8 Inventories

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Raw Material	5,336.13	4,396.51
(ii) Packing Material & Consumables	240.27	200.32
(iii) Work In Process	2,537.10	2,222.79
(iv) Finished Goods	3,379.70	3,168.53
Total	**11,493.20**	**9,988.14**

Notes:

1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}

2 Valued at lower of cost and net realisable value unless otherwise stated (Refer accounting policies 2.6)

9 Financial Assets

9.1 Trade Receivables

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, at amortised cost)		
(i) Considered good	17,238.36	15,180.04
(ii) Considered doubtful	9.00	-
Less : Provision for expected credit Loss	(9.00)	-
Total	**17,238.36**	**15,180.04**

Notes:

1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}

2 Trade receivables are usually non-interest bearing and are on trade credit terms of 30 to 60 days.

3 Related party transactions & balance {Refer note no. 37}

9.2 Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Cash In Hand	1.15	1.54
(ii) Balance with Scheduled Banks :		
(a) In current Accounts	46.53	38.63
(b) Fixed Deposit with Maturity less than 3 months	96.61	726.78
Total	**144.29**	**766.95**

9 Financial Assets *(contd.)*

9.3 Other Bank Balances

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) In Fixed Deposit Accounts	1,316.20	1,220.82
(ii) Unclaimed Dividend	21.52	20.20
Total	**1,337.72**	**1,241.03**

Notes:

1 Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.

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

9.4 Other Financial Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- considered good)		
(i) Security Deposits	631.19	674.69
(ii) Interest Receivable on Fixed Deposits with Bank	11.21	27.05
Total	**642.40**	**701.75**

10 Current Tax Assets (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Net Income Tax Assets	156.70	-
Total	**156.70**	**-**

11 Other Current Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- considered good)		
(i) Prepaid Expenses	322.32	144.20
(ii) Advance to suppliers	335.55	221.81
(iii) Statutory and Other Receivables	5,844.41	2,988.32
Total	**6,502.28**	**3,354.33**

12 Share Capital

(₹ in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
15 % Compulsory Convertible Preference Shares of Rs.100/- each	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**
Issued & Subscribed :				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**
Paid Up Capital :				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

Notes to the Financial Statements for the year ended March 31, 2019

12 Share Capital *(contd.)*

12.1 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.

12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

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

(i) **Equity Shares :** (₹ in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	1,838.02
Add: Additional equity shares issued during the year	-	-	-	-
Less: Equity shares forfeited/bought back during the year	-	-	-	-
Balance as at the end of the year	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Mr. Dinesh Patidar	35,21,488	19.16%	35,21,488	19.16%
Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
M.L. Securities & Finance Pvt.Ltd	9,38,994	5.11%	9,38,994	5.11%
AF Holdings	16,36,363	8.90%	16,36,363	8.90%

13 Other Equity

(₹ in lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Total
	Surplus in P/L Statement	General Reserve			
Balance as at March 31, 2017	**2,146.97**	**9,809.00**	**20.58**	**8,797.82**	**20,774.36**
Add/(Less):					
Appropriations/Adjustments :					
Income tax Excess/ short provision	-	(56.51)	-	-	(56.51)
Dividend paid including tax thereon	(442.44)	-	-	-	(442.44)
Profit for the year	2,784.74	-	-	-	2,784.74
Other Comprehensive Income (Net of Taxes)	3.80	-	-	-	3.80
Balance as at March 31, 2018	**4,493.07**	**9,752.49**	**20.58**	**8,797.82**	**23,063.95**
Add/(Less):					
Appropriations/Adjustments :					
Dividend paid including tax thereon	(819.86)	-	-	-	(819.86)
Profit for the year	3,143.10	-	-	-	3,143.10
Other Comprehensive Income (Net of Taxes)	23.49	-	-	-	23.49
Balance as at March 31, 2019	**6,839.80**	**9,752.49**	**20.58**	**8,797.82**	**25,410.70**

NON- CURRENT LAIBILITIES

14 Financial liabilities

14.1 Non Current Borrowings

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) **Term Loans:**		
Term loan from Bank	1,607.43	1,760.00
(ii) **Other:**		
Vehicle Loan from Bank	74.50	-
Less: Current Maturities of Long Term Borrowings	(701.72)	(440.00)
Total	**980.21**	**1,320.00**

(a) Interest rate of the above loan in range between 9.10% to 10.80%

(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 & immovable property, plant & equipments.

(c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)

(d) Vehicle Loans are secured by respective vehicles.

(e) Maturity Profile of the above loan as below :

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Within One year	701.72	440.00
(ii) Two to Five years	980.21	1,320.00
(iii) More than Five years	-	-
Total	**1,681.93**	**1,760.00**

15 Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
(i) Gratuity Payable	400.01	327.77
(ii) Leave Encashment	56.38	47.05
Total	**456.39**	**374.82**

{Refer provision for employee benefits note no. 35}

16 Deferred tax liabilities (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities:		
(i) Property, Plant and Equipment	1,170.92	998.64
Total	**1,170.92**	**998.64**

Notes to the Financial Statements for the year ended March 31, 2019

CURRENT LIABILITIES

17 Financial Liabilities

17.1 Current Borrowings

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) **Secured**		
Loans Repayable on Demand from Banks:		
Rupee Loans	10,984.21	6,969.35
(ii) **Unsecured**		
Loans Repayable on Demand from Banks:		
Rupee Loans	3,859.60	2,157.65
Total	**14,843.81**	**9,127.01**

(a) Interest rate of the above loan in range between 6.10% to 11.00%

(b) Working Capital loans and other credit facility are secured by way of :

(i) First parri passu charge on both present and/or future, current assets including inventories & receivables.

(ii) Second parri passu charge on both present and/or future, movable & immovable property, plant & equipments.

(iii) Personal Guarantee of Directors & Others.

17.2 Trade payables

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Dues to Micro, Small and Medium Enterprises	1,339.44	-
(ii) Dues to other than Micro, Small and Medium Enterprises	5,197.79	4,858.24
Total	**6,537.23**	**4,858.24**

Related party transactions & balance {Refer note no. 37}

Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : Rs. 1339.44 lacs Previous Year : Rs. Nil. The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than the stipulated period, are given below:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount due and remaining unpaid	**1,339.44**	**-**
(ii) Interest paid	-	-
(iii) Interest due	-	-
(iv) Interest accrued and due	**-**	**-**
(v) Interest due and remaining unpaid	-	-

17.3 Other Financial Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Current Maturities of Long Term Borrowings	701.72	440.00
(ii) Unclaimed Dividend *	21.52	20.20
(iii) Security Deposits Payable	90.80	90.62
(iv) Creditors for Service & Others	1,000.79	1,002.12
(v) **Other Payables :**		
- Employee Dues	360.64	376.87
- Others	193.03	352.80
Total	**2,368.50**	**2,282.61**

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

17 Financial Liabilities *(contd.)*

(a) **Current Maturities of Long Term Debt** (₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan		
(i) From Banks- Rupee Loan	680.00	440.00
(ii) Vehicle Loan	21.72	-
Total	**701.72**	**440.00**

18 Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
(i) Gratuity Payable	11.12	8.18
(ii) Leave Encashment	3.44	2.73
Total	**14.56**	**10.91**

{Refer provision for employee benefits note no.(35)}

19 Other Current Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Advance from Customers	205.67	303.04
(ii) Other Payables	327.89	425.09
(iii) Duties and Taxes payable	60.89	12.70
Total	**594.45**	**740.83**

20 Current Tax Liabilities (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Provision for Income Tax (Net)	-	250.61
Total	**-**	**250.61**

21 Revenue from Operation

Sale of Products (₹ in lacs)

Particulars	2018-19	2017-18
(i) Domestic Sales	39,706.70	29,415.48
(ii) Export Sales	11,034.79	10,728.77
(iii) Other Operating Income	1,569.59	1,169.81
TOTAL	**52,311.08**	**41,314.06**

(a) **Other Operating Income Includes :** (₹ in lacs)

Particulars	2018-19	2017-18
(i) Export Benefits	379.59	298.49
(ii) Scrap Sales	1,150.87	869.61
(iii) Income from Services	0.07	0.81
(iv) Other Operating Income	39.07	0.90
TOTAL	**1,569.59**	**1,169.81**

I **Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

a) **Revenue disaggregation based on Product Type and Customer type:**

(i) Revenue disaggregation by Product Type: Pumps and Motors.

Notes to the Financial Statements for the year ended March 31, 2019

21 Revenue from Operation *(contd.)*

(ii) **Revenue disaggregation by Customer Type is as follows:** (₹ in lacs)

Customer Type	2018-19	2017-18
Customers under Government Projects	22,643.57	16,121.90
Industrial Customers	2,029.53	1,893.34
Export Customers	11,034.79	10,728.77
OEM Customers	9,614.45	8,516.69
Other Customers	6,988.74	4,053.37
TOTAL	**52,311.08**	**41,314.06**

22 Other Income

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Interest Income	80.25	174.23
(ii) Rent Received	12.44	12.26
(iii) Others	187.47	100.97
TOTAL	**280.15**	**287.46**

EXPENSES

23 Cost Of Material Consumed

(₹ in lacs)

Particulars	2018-19	2017-18
Opening Stock of Raw Material	4,596.83	3,089.14
Add: Purchase of Raw Material	34,386.57	24,870.60
	38,983.40	**27,959.74**
Less: Closing Stock of Raw Material	5,576.40	4,596.83
TOTAL	**33,407.00**	**23,362.91**

23.1 Details of consumption of imported and indigenous items : (₹ in lacs)

Particulars	2018-19	2017-18
(i) Imported	8,239.46	5,280.53
(ii) Domestic	25,167.54	18,082.38
TOTAL	**33,407.00**	**23,362.91**

24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(₹ in lacs)

Particulars	2018-19	2017-18
Inventories (at Close)		
(i) Finished Goods/Stock-In-Trade	3,379.70	3,168.53
(ii) Work-In-Progress	2,537.10	2,222.79
TOTAL	**5,916.80**	**5,391.31**
Inventories (at Opening)		
(i) Finished Goods/Stock-In-Trade	3,168.53	2,959.71
(ii) Work-In-Progress	2,222.79	2,485.51
TOTAL	**5,391.31**	**5,445.22**
CHANGE IN INVENTORIES	**(525.49)**	**53.91**

25 Employee Benefit Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Salaries, Wages and Bonus	4,428.03	3,886.46
(ii) Contribution to Provident and Other Funds	344.60	208.98
(iii) Staff Welfare Expenses	271.69	222.13
TOTAL	**5,044.32**	**4,317.57**

26 Finance Cost

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Interest to Bank	1,321.10	1,024.95
(ii) Interest to Other	11.39	9.78
(iii) Other Borrowing Costs	341.30	324.33
TOTAL	1,673.79	1,359.06

27 Other Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Power & Fuel	227.75	214.65
(ii) Job Work Expenses	300.12	105.39
(iii) Clearing & Forwarding Charges	213.74	166.19
(iv) Freight Charges	953.19	874.63
(v) Travelling Expenses	954.18	885.90
(vi) Advertisement Expenses	449.57	376.70
(vii) ECGC Premium	13.10	30.69
(viii) Selling & Distribution Expenses	2,058.66	1,797.81
(ix) Legal, professional and consultancy charges	288.53	262.22
(x) Rent	13.27	11.91
(xi) Entry Tax	-	10.31
(xii) Manufacturing Expenses	380.21	554.47
(xiii) Auditors Remuneration	4.00	7.00
(xiv) Corporate Social Responsibility Expenses	46.32	50.55
(xv) Rates and taxes	14.11	163.68
(xvi) Repair & Maintenance	139.80	72.69
(xvii) Conveyance Expenses	263.28	215.37
(xviii) Communication Expenses	87.37	88.90
(xix) Directors Remuneration	293.81	222.53
(xx) Office & Administrative Expenses	105.78	102.48
(xxi) Bad Debts Written off	78.34	332.59
(xxii) Provision for Doubtful Debts	9.00	-
(xxiii) Donations and Contributions	9.41	15.04
(xxiv) Software Maintenance Expenses	67.61	20.57
(xxv) Miscellaneous Expenses	1.42	5.08
TOTAL	6,972.58	6,587.36

27.1 Payment To Auditors :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) For Audit	4.00	4.50
(ii) For Taxation Matters	-	1.50
(iii) For Other Services	-	1.00
TOTAL	4.00	7.00

27.2 Corporate Social Responsibility Expenses :

(₹ in lacs)

Nature of expenditure	2018-19	2017-18
(i) Free Medical Treatment thru Shakti Foundation	1.00	-
(ii) School Fees of poor childs thru Shakti Foundation	20.50	12.50
(iii) Initiative for Moral & Cultural Training Foundation	2.57	1.50
(iv) Bal Mahotsav celebration, Laptop distribution	1.64	0.41
(v) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple	20.61	36.14
Total	46.32	50.55

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs. 78.22 lacs (March 31, 2018, Rs. 51.51 lacs).

Notes to the Financial Statements for the year ended March 31, 2019

28 Research & Development

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Capital Expenditure	268.01	-
(ii) Revenue Expenditure	335.33	-
Total Expenditure Incurred	**603.33**	**-**
Less: Income Earned by R&D	-	-
Net Expenditure Incurred	**603.33**	**-**

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies 2.7)

29 Contingent Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Bank Guarantee Outstanding	6,491.42	4,335.46
(ii) Unexpired Letter of Credit	4,557.39	5,408.49
(iii) Commercial Tax Demand under Dispute	182.51	152.34
(iv) Income Tax Demand Under Dispute	3,759.64	1,475.85
(v) Excise Demand Under Dispute	-	47.70
Total	**14,990.97**	**11,419.84**

30 Earnings Per Share

(₹ in lacs)

Particulars	2018-19	2017-18
Profit / (Loss) for the year as per Statement of Profit and Loss	3,143.10	2,784.74
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10.00	10.00
Basic Earning Per Share	17.10	15.15
Diluted Earning Per Share	17.10	15.15

31 Proposed Dividend

A dividend at the rate of 50% i.e. Rs.5/- per equity shares is recommended by the Board of Directors at their meeting held on May 10, 2019 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

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Export Sales of Pumps, Motors & Spares (FOB Value)	11,034.79	10,728.77
Total	**11,034.79**	**10,728.77**

33 Expenditure in Foreign Currency on Account of :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Exhibition & Promotional Expenses	54.83	5.29
(ii) Travelling Expenses	286.55	326.27
(iii) Advertisement Expenses	3.55	22.29
(iv) Commission on Sales	41.36	-
Total	**386.30**	**353.84**

34 Value of Imports on CIF Basis in Respect of :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Raw Material	7,938.08	4,930.02
(ii) Capital Goods	672.93	94.72
Total	**8,611.01**	**5,024.74**

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.

(₹ in lacs)

Particulars	2018-19	2017-18
Employers Contribution to Provident Fund/ Pension Fund	132.72	122.04
Employers Contribution to ESIC	12.61	11.37
Total	**145.34**	**133.41**

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 :

(₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
Present value of obligation at the end of year	59.82	49.78	443.50	348.55
Fair value of plan assets at the end of year	-	-	32.37	12.60
Net liability recognized in the Balance Sheet	**59.82**	**49.78**	**411.13**	**335.95**

The amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	11.76	(42.85)	54.94	3.13
Interest Cost	3.90	6.76	30.89	23.69
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	3.15	-	-	-
Total, included in Employee Benefit Expenses	**18.82**	**(36.10)**	**85.83**	**26.82**

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
Defined benefit obligation at beginning of the year	49.78	0.17	406.68	310.27
Current Service Cost	11.76	42.85	54.94	3.13
Past Service Cost	-	-	-	-
Interest Cost	3.90	6.76	31.88	24.42
Benefits Paid	(8.77)	-	(14.30)	(12.26)
Actuarial (Gain)/ Loss	3.15	-	(35.70)	22.99
Defined benefit obligation at the end of the year	**59.82**	**49.78**	**443.50**	**348.55**

Notes to the Financial Statements for the year ended March 31, 2019

35 Employee Benefit Obligations *(contd.)*

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Discount Rate	7.84%	7.87%	7.84%	7.87%
(ii) Salary Escalation Rate	7.00%	7.00%	7.00%	7.00%
(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:

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Retirement Age	60 years	60 years	60 years	60 years
(ii) Employee Turnover :				
18-30 Years	3.00%	3.00%	3.00%	3.00%
30-45 Years	2.00%	2.00%	2.00%	2.00%
Above 45 Years	1.00%	1.00%	1.00%	1.00%

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity : (₹ in lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2019	100 Basis Points	(64.02)	78.96
	2018	100 Basis Points	69.24	(56.37)
(ii) Salary Growth Rate	2019	100 Basis Points	78.83	(65.02)
	2018	100 Basis Points	69.15	(57.27)

Leave Encashment : (₹ in lacs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2019	100 Basis Points	(8.95)	11.13
	2018	100 Basis Points	9.33	(7.49)
(ii) Salary Growth Rate	2019	100 Basis Points	11.11	(9.09)
	2018	100 Basis Points	9.32	(7.61)

Gratuity : (₹ in lacs)

Expected Cash Flow for the Next Ten Years	March 31, 2019	March 31, 2018
Year 2019	-	10.02
Year 2020	11.56	14.09
Year 2021	21.31	25.60
Year 2022	15.17	36.41
Year 2023	23.77	27.28
Year 2024	33.24	-
Year 2024 -2028	-	238.75
Year 2025 - 2029	283.27	-

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

(₹ in lacs)

Particulars	2018-19	2017-18
(i) **Profit or Loss Section**		
Current Tax Expenses on Profit before tax	1,216.02	1,586.74
Deferred Tax	172.27	154.51
Total Income Tax Expenses Recognised in Statement of Profit & Loss	**1,388.29**	**1,741.26**
(ii) **Other Comprehensive Income (OCI) Section**		
Income tax charged to OCI	(12.44)	(2.01)
(iii) **Reconciliation of Effective Tax Rate**		
A) Profit Before Tax	4,531.40	4,525.99
B) Enacted Tax Rate In India	34.94%	34.61%
C) Expected Tax Expenses	1,583.45	1,566.36
D) **Tax Effect of**		
- Difference Between Book Depreciation And Tax Depreciation	(78.50)	(74.48)
- Deduction on account of Research and Development Expenses	(569.67)	-
- Other Provisions	(403.32)	133.38
E) **Net Adjustment**	**(1,051.49)**	**58.90**
F) Tax Expenses/(Saving) on Net Adjustment (E*B)	(367.43)	20.39
G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F)	1,216.02	1,586.74
H) Changes on Account of Deferred Tax	172.27	154.51
Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H)	**1,388.29**	**1,741.25**

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
(v) Shakti Pumps (Bangladesh) Ltd., Bangladesh

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

Notes to the Financial Statements for the year ended March 31, 2019

37 Related Party Disclosure as required by Indian Accounting Standard 24 is as below : *(contd.)*

(ii) **Transaction with Related Parties :** (₹ in lacs)

S. No	Name of Party	Nature of Transaction	2018-19	2017-18
1	Shakti Pumps LLC, USA	Sale of Pump & Motors	998.83	760.74
2	Shakti Pumps FZE, UAE	Sale of Pump & Motors	3,777.54	3,084.29
3	Shakti Pumps Pty Ltd., Australia	Sale of Pump & Motors	10.98	9.70
4	Shakti Irrigation India Ltd.	Purchase of Components	886.41	595.89
		Purchase of Drip Irrigation Pipes	-	348.24
		Purchase of Pipes	-	5.17
		Sale of Parts & Pipes	9.66	85.33
		Sale of Pumps & Motors & other material	0.73	-
5	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	775.76	580.55
		Sale of Assets	0.60	-
		Sale of Spare parts	33.32	1.86
		Interest Received	-	76.47
6	Shakti Energy Solutions Pvt. Ltd.	Purchase of Solar System	559.12	141.43
		Sale of Pump & Motors	595.22	16.16
		Sale of Asset	0.50	-
7	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	305.06	204.10
		Sale of Asset	5.89	0.77
		Sale of Spare Parts	39.44	13.22
8	Shakti Irrigation Pvt. Ltd.	Sale of Pumps, Motors & other material	5.46	3.89
		Sale of Asset	-	3.09
		Income from Rent	12.26	12.26
		Purchase of Pipes	498.65	153.59
		Purchase of Asset	-	51.19
9	SPIL Energy Ltd.	Purchase of Pumps, Motors & other material	-	0.46
10	Shakti Pumps (Shanghai) Ltd, China	Purchase of Raw material	358.84	-
11	Mr. Dinesh Patidar	Remuneration	232.50	168.00
		Other Allowances	-	-
12	Mr. Sunil Patidar	Remuneration	12.00	12.00
		Other Allowances	11.72	11.53
13	Mr. Ramesh Patidar	Remuneration	35.00	29.00
		Other Allowances	2.59	2.00

37 Related Party Disclosure as required by Indian Accounting Standard 24 is as below : *(contd.)*

(iii) **Related Party Balance :** (₹ in lacs)

S. No	Nature	Name of Party	As at March 31, 2019	As at March 31, 2018
1	Investments	Shakti Pumps LLC, USA	33.32	33.32
		Shakti Pumps FZE, UAE	156.56	156.56
		Shakti Pumps Pty Ltd., Australia	117.82	117.82
		Shakti Pumps (Shanghai) Ltd., China	16.92	-
		Shakti Pumps (Bangladesh) Ltd., Bangladesh	37.27	-
		Shakti Energy Solutions Pvt. Ltd.	1,445.77	711.20
2	Trade Receivables	Shakti Pumps LLC, USA	145.77	453.23
		Shakti Pumps FZE, UAE	604.28	1,502.86
		Shakti Pumps Pty Ltd., Australia	-	28.83
		Shakti Irrigation India Ltd.	0.87	114.25
		Shakti Energy Solutions Pvt. Ltd.	506.59	-
		Shakti Irrigation Pvt. Ltd.	-	25.88
3	Trade Payables	Vintex Tools Pvt. Ltd.	282.41	313.80
		Shakti Pumps FZE, UAE	2.83	-
		Shakti Irrigation India Ltd.	112.07	317.23
		Shakti Irrigation Pvt. Ltd.	3.83	-
		Shakti Energy Solutions Pvt. Ltd.	360.12	-
		Arsh Industrial Solutions Pvt. Ltd.	6.63	-
		SPIL Energy Ltd.	-	0.46
4	Advance from Customers	Shakti Pumps Pty Ltd., Australia	3.67	-
5	Advance to Vendor	Shakti Irrigation India Ltd.	98.92	-
		Shakti Pumps (Shanghai) Ltd, China	57.72	-

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

(₹ in lacs)

Financial Instruments by category	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,482.01	2,007.98	1,482.01	2,007.98
Other Financial Assets	642.40	701.75	642.40	701.75
Trade Receivables	17,238.36	15,180.04	17,238.36	15,180.04
Total	**19,362.77**	**17,889.77**	**19,362.77**	**17,889.77**
Financial Liabilities at Amortised Cost				
Trade Payables	6,537.23	4,858.24	6,537.23	4,858.24
Borrowings	16,525.74	10,887.00	16,525.74	10,887.00
Other Financial Liabilities	1,666.79	1,842.61	1,666.79	1,842.61
Total	**24,729.76**	**17,587.85**	**24,729.76**	**17,587.85**

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.

Notes to the Financial Statements for the year ended March 31, 2019

38 Financial Instruments *(contd.)*

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.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets: (₹ in lacs)

Particulars	As at March 31, 2019			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,482.01	-	-	1,482.01
Other Financial Assets	642.40	-	-	642.40
Trade Receivables	17,238.36	-	-	17,238.36
Financial Liabilities at Amortised Cost				
Trade Payables	6,537.23	-	-	6,537.23
Borrowings	16,525.74	-	-	16,525.74
Other Financial Liabilities	1,666.79	-	-	1,666.79

(₹ in lacs)

Particulars	As at March 31, 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
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	1,842.61	-	-	1,842.61

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.

38 Financial Instruments *(contd.)*

(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:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (A)	16,525.74	10,887.00
Equity (B)	27,248.72	24,901.97
Debt Equity Ratio (A/B)	**0.61**	**0.44**

2. **Credit Risk :**

(i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

(ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

3. **Liquidity Risk :**

Liquidity Risk Management : Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings :

(₹ in lacs)

Exposure to Risk	As at March 31, 2019	As at March 31, 2018
Interest bearing borrowings:		
On Demand	10,984.21	4,619.35
Less than 180 Days	4,210.46	4,727.65
181-365 Days	350.86	220.00
More than 365 Days	980.21	1,320.00

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.

Notes to the Financial Statements for the year ended March 31, 2019

38 Financial Instruments *(contd.)*

a) **Foreign Currency Exchange Rate Risk :**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures: (₹ in lacs)

Particulars	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade receivables/Advance from customer :	AUD	(0.07)	(3.67)	0.11	4.99
	EUR	0.18	13.81	0.55	43.40
	USD	46.22	3,158.55	58.54	3,660.91
	Total		**3,168.68**		**3,709.30**
II. Trade payables :	EUR	1.40	102.22	2.44	182.11
	USD	13.48	917.76	4.94	301.57
	JPY	7.80	4.74	-	-
	Total		**1,024.72**		**483.68**

Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
March 31, 2019			
Based on YOY change between F18 & F19	USD	+10%	224.08
	USD	-10%	(224.08)
	AUD	+10%	(0.37)
	AUD	-10%	0.37
	EUR	+10%	(8.84)
	EUR	-10%	8.84
	JPY	+10%	(0.47)
	JPY	-10%	0.47
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%	(13.87)
	EUR	-10%	13.87

38 Financial Instruments *(contd.)*

b) **Interest Rate Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(₹ in lacs)

Floating Interest rate exposure :	As at March 31, 2019	As at March 31, 2018
Secured :		
Loans Repayable on Demand from Banks:		
Rupee Loans	10,984.21	6,969.35
Unsecured :		
Loans Repayable on Demand from Banks:		
Rupee Loans	3,859.60	2,157.65
Total	**14,843.81**	**9,127.01**

Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

(₹ in lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax (Loss)
As at March 31, 2019	+100	(148.44)
	-100	148.44
As at March 31, 2018	+100	(91.27)
	-100	91.27

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

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Independent Auditors' Report

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shakti Pumps (India) Limited ('the Parent') and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Occurrence and timely recognition of Revenue: We refer to the Note 21 of the consolidated financial statements. We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and its non-occurrence. The revenue recognition occurs when the entity satisfies a performance obligation by transferring the promised good at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring the said goods. Since the Group focuses on revenue as one of the key performance measures, it could create an incentive for revenue to be recognised though the performance obligations have not been satisfied by the Group. Accordingly, revenue recognition was determined to be a key audit matter and a significant risk of material misstatement.	**Principal Audit Procedures** Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as below: • Assessed the appropriateness of the Group's revenue recognition accounting policies by comparing with applicable accounting standards. • Tested the effectiveness of the Group's controls over the correct and timely recognition of revenue. • Obtained supporting documentation for sales transactions recorded during the year to determine whether revenue was occurred and recognised in the correct period. • Assessed the revenue recognised with substantive analytical procedures to ascertain whether the revenue recognised has any unexplained variations. • Assessed the adequacy of the Group's disclosures related to revenues.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of those consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statement of Indian subsidiary included in consolidated financial statements; whose financial statements reflects total asset of Rs. 3439.00 lacs as at March 31, 2019 and the total turnover of Rs. 563.57 lacs and year ended March 31, 2019, total profit after tax Rs. 15.14 lacs year ended March 31, 2019 and total comprehensive income Rs. 15.14 lacs for the quarter ended and year ended March 31, 2019. 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.

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors including one Company incorporated in India included in the Consolidated financial statement, none of the directors of parent is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the parent.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statement has disclosed the impact of pending litigations on its consolidated financial position of the Group- Refer Note 29;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

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

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W

Premal Gandhi
Partner
Membership Number: 111592
Place: Pithampur
Date: May 10, 2019

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W

Premal Gandhi
Partner
Membership Number: 111592
Place: Pithampur
Date: May 10, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant And Equipment	3	13,825.75	12,047.23
(b) Capital Work-In-Progress	3	1,124.19	23.97
(c) Intangible Assets	4	179.36	58.82
(d) Intangible Assets Under Development	4	91.03	-
(e) Financial Assets	5		
(i) Investments	5.1	0.02	0.02
(ii) Loans	5.2	-	261.24
(f) Non-Current Tax Assets (Net)	6	335.85	333.88
(g) Other Non-Current Assets	7	1,627.23	416.48
Total Non-Current Assets		**17,183.44**	**13,141.64**
2 Current Assets			
(a) Inventories	8	13,556.75	11,613.73
(b) Financial Assets	9		
(i) Trade Receivables	9.1	18,053.72	14,334.16
(ii) Cash And Cash Equivalents	9.2	531.44	1,036.10
(iii) Bank Balance Other than Above	9.3	1,368.66	1,527.70
(iv) Other Financial Assets	9.4	659.42	702.70
(c) Current Tax Assets (Net)	10	57.28	-
(d) Other Current Assets	11	6,929.05	3,389.79
Total Current Assets		**41,156.32**	**32,604.18**
Total Assets		**58,339.76**	**45,745.82**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	27,201.28	23,525.15
Total Equity		**29,039.30**	**25,363.17**
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	2,134.82	1,464.70
(b) Provisions	15	456.39	374.82
(c) Deferred Tax Liabilities (Net)	16	1,176.42	998.89
Total Non-Current Liabilities		**3,767.63**	**2,838.41**
2 Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	14,843.81	9,127.01
(ii) Trade Payables			
- Dues of Micro and Small Enterprise	17.2	1,339.44	-
- Dues of Other than Micro and Small Enterprise		5,874.53	4,979.33
(iii) Other Financial Liabilities	17.3	2,597.48	2,288.14
(b) Provisions	18	14.56	10.91
(c) Other Current Liabilities	19	863.01	829.13
(d) Current Tax Liabilities (Net)	20	-	309.72
Total Current Liabilities		**25,532.83**	**17,544.24**
Total Equity And Liabilities		**58,339.76**	**45,745.82**
Company Overview, Basis of preparation and Significant Accounting Policies	1 to 2		
The accompanying notes are an integral part of the Financial Statements	3 to 43		

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Consolidated Statement of Profit & Loss for the year ended March 31, 2019

(₹ in lacs)

Particulars			Note No.	2018-19	2017-18
I	Revenue from Operations		21	54,644.99	43,660.76
II	Other Income		22	380.15	349.36
III	**Total Revenue (I+II)**			**55,025.14**	**44,010.12**
IV	**Expenses**				
	Cost of Materials Consumed		23	33,093.17	23,650.48
	Purchase of Stock-in-Trade			-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress		24	(687.82)	156.28
	Employee Benefits Expenses		25	5,293.27	4,455.43
	Finance Costs		26	1,780.66	1,400.91
	Depreciation and Amortisation Expense		3&4	1,504.38	1,394.95
	Other Expenses		27	8,029.73	7,551.55
	Total Expenses (IV)			**49,013.38**	**38,609.60**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**			6,011.76	5,400.52
VI	Exceptional Items			-	-
VII	**Profit/ (loss) before Tax (V-VI)**			**6,011.76**	**5,400.52**
VIII	**Tax Expense:**				
	(1)	Current Tax		1,326.73	1,761.13
	(2)	Deferred Tax		177.53	154.56
IX	**Profit/(loss) for the year (VII-VIII)**			**4,507.50**	**3,484.83**
X	**Other Comprehensive Income**				
(A)	(i)	Items that will not be reclassified to profit or loss			
		Re-measurement gains/(loss) on defined benefit plans		35.93	5.82
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		(12.44)	(2.01)
(B)	(i)	Items that will be reclassified to profit or loss			
		Unrealised exchange gain/(loss)		(25.57)	(6.35)
	(ii)	Income tax relating to items that will be reclassified to profit or loss		8.85	2.20
	Total Other Comprehensive Income for the year (X)			**6.77**	**(0.35)**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**			**4,514.27**	**3,484.48**
XII	Earnings per equity share [nominal value of share Rs. 10/-]		30		
	(1)	Basic		24.52	18.96
	(2)	Diluted		24.52	18.96

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in lacs)

	Particulars	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit & Loss before tax as per Profit & Loss Account		6,011.76		5,400.52
	Adjusted For :				
	Depreciation and Amortisation Expense	1,504.38		1,394.95	
	Interest Income	(103.17)		(226.05)	
	Interest Paid	1,412.79		1,058.12	
	Re-measurement (gains) / loss on defined benefit plans	35.93		5.82	
	Unrealised Exchange (gain) / loss (net)	(25.57)		1.84	
	(Profit) /Loss on sale of property, plant and equipment (net)	(0.02)	2,824.33	(2.35)	2,232.33
	Operating Profit Before Working Capital Changes		**8,836.09**		**7,632.85**
	Adjusted For :				
	(Increase) / Decrease in Trade and Other Receivables	(7,904.91)		(1,043.08)	
	(Increase) / Decrease in Inventories	(1,943.02)		(1,248.98)	
	Increase / (Decrease) in Trade and Other Payables	2,530.90	(7,317.03)	(1,502.25)	(3,794.32)
	Net Cash Flow From Operating Activities		**1,519.05**		**3,838.53**
	Income Taxes (paid) / refund (net)	(1,748.49)	(1,748.49)	(1,880.96)	(1,880.96)
	Net Cash Flow From / (Used In) Operating Activities (A)		**(229.44)**		**1,957.57**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	(3,382.61)		(1,117.48)	
	Purchase of Intangible Assets	(128.08)		(34.34)	
	Movement in Advance for Capital Goods	(98.37)		11.03	
	Movement in Capital Work-in-Progress	(1,191.25)		(2.03)	
	Sale of Fixed Assets	107.27		11.83	
	Interest Received	103.17		226.05	
	Acquisition of a Subsidiary, net of cash acquired	-		(711.21)	
	Movement in Deposit with Bank	160.36		(321.97)	
	Net Cash Flow From / (Used In) Investing Activities (B)		**(4,429.51)**		**(1,938.12)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings	1,806.05		1,500.00	
	Repayment of Long Term Borrowings	(1,135.92)		(929.23)	
	Proceeds from Short Term Borrowings (Net)	5,716.81		1,545.08	
	Dividend paid including tax thereon	(819.86)		(442.44)	
	Interest Paid	(1,412.79)		(1,058.12)	
	Net Cash Flow From / (Used In) Financing Activities (C)		**4,154.29**		**615.29**
	Net Change in Cash & Cash Equivalents (A+B+C)		(504.66)		634.75
	Cash & Cash Equivalents at the beginning of the year		1,036.10		401.35
	Cash & Cash Equivalents at the end of the year		**531.44**		**1,036.10**

1. Figures in brackets represent Cash Outflow.
2. Cash and Cash Equivalents comprise of :

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash In Hand	3.98	2.63
Balance with Scheduled Banks	430.85	306.69
Fixed Deposit with Maturity Less than three months	96.61	726.78
Total	**531.44**	**1,036.10**

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

a. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares of Rs. 10/- each		
Balance at the beginning of the year	1,838.02	1,838.02
Add : Shares issued during the year	-	-
Balance at the end of the year	**1,838.02**	**1,838.02**

b. OTHER EQUITY

(₹ in lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total Equity
	Surplus in P/L Statement	General Reserve				
Balance as at March 31, 2017	**1,935.73**	**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)
Acquisition of Controlling Interest	-	-	29.29	-	-	29.29
Profit for the year	3,484.83	-	-	-	-	3,484.83
Other Comprehensive Income (Net of Taxes)	(0.35)	-	-	-	-	(0.35)
Others	(1.83)	-	-	-	1.83	-
Balance as at March 31, 2018	**4,975.94**	**9,636.71**	**49.87**	**8,797.81**	**64.82**	**23,525.15**
Income Tax Excess/ Short provision	-	1.65	-	-	-	1.65
Dividend paid including tax thereon	(819.86)	-	-	-	-	(819.86)
Profit for the year	4,507.50	-	-	-	-	4,507.50
Other Comprehensive Income (Net of Taxes)	6.77	-	-	-	-	6.77
Others	-	-	-	-	(19.93)	(19.93)
Balance as at March 31, 2019	**8,670.35**	**9,638.36**	**49.87**	**8,797.81**	**44.89**	**27,201.28**

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 March 31, 2019:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest of SPIL
Shakti Pumps LLC	USA	100%
Shakti Pumps FZE	UAE	100%
Shakti Pumps Pty Ltd.	Australia	100%
Shakti Pumps (Bangladesh) Ltd.	Bangladesh	100%
Shakti Pumps (Shanghai) Ltd.	China	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/Goodwill 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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

NON - CURRENT ASSETS

3. Property, Plant and Equipment and Capital Work-In-Progress

(₹ in lacs)

Particulars	Other than Research and Development								Research and Development					Total	Capital Work-In-Progress
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools	Computers	Furniture & Fixtures	Office Equipment		
Gross Carrying Amount															
As at April 1, 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
Sales/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**
Additions	-	239.72	1,454.47	958.24	97.18	96.62	102.36	166.01	49.16	185.72	2.87	0.76	29.50	3,382.61	1,100.22
Sales/Disposals/ Adjustments	-	-	62.29	62.30	5.89	2.92	0.58	6.49	-	-	-	-	-	140.47	-
As at March 31, 2019	**415.86**	**3,610.36**	**8,587.78**	**8,446.16**	**652.46**	**601.15**	**260.43**	**527.00**	**49.16**	**185.72**	**2.87**	**0.76**	**29.50**	**23,369.21**	**1,124.19**
Accumulated Depreciation															
As at April 1, 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	442.42	716.12	64.33	40.23	15.02	29.84	-	-	-	-	-	1,392.27	-
Acquisition during the year	-	-	0.02	0.02	0.39	-	-	-	-	-	-	-	-	0.41	-
Sales/Disposals/ Adjustments	-	0.13	0.02	0.05	0.28	-	-	0.16	-	-	-	-	-	0.64	-
As at March 31, 2018	**-**	**545.05**	**2,710.99**	**3,991.82**	**358.05**	**258.87**	**66.17**	**148.87**	**-**	**-**	**-**	**-**	**-**	**8,079.84**	**-**
Charge for the Year	-	90.15	464.96	743.59	69.08	47.38	32.98	38.65	0.78	7.32	0.18	0.06	1.73	1,496.85	-
Sales/Disposals/ Adjustments	-	-	20.02	4.94	1.87	0.04	0.58	5.78	-	-	-	-	-	33.22	-
As at March 31, 2019	**-**	**635.21**	**3,155.93**	**4,730.47**	**425.27**	**306.21**	**98.57**	**181.74**	**0.78**	**7.32**	**0.18**	**0.06**	**1.73**	**9,543.46**	**-**
Net Block Value															
As at March 31, 2018	**415.86**	**2,825.59**	**4,484.61**	**3,558.40**	**203.12**	**248.58**	**92.47**	**218.61**	**-**	**-**	**-**	**-**	**-**	**12,047.23**	**23.97**
As at March 31, 2019	**415.86**	**2,975.16**	**5,431.85**	**3,715.69**	**227.19**	**294.94**	**161.86**	**345.26**	**48.38**	**178.40**	**2.70**	**0.70**	**27.77**	**13,825.75**	**1,124.19**

A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.

B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No. 14.1 & 17.1

C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is Rs. 134.25 lacs. as at March 31, 2019 (Rs. 939.01 lacs. as at March 31, 2018).

D. The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.

E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment.(Refer accounting policies)

NON CURRENT ASSET

4. Intangible Assets

(₹ in lacs)

Particulars	Computer Software	Intangible Assets Under Development
Gross Carrying Amount		
As at April 1, 2017	**27.33**	**-**
Additions	34.34	-
Disposals/Adjustments	-	-
As at March 31, 2018	**61.68**	**-**
Additions	128.08	91.03
Disposals/Adjustments	-	-
As at March 31, 2019	**189.75**	**91.03**
Accumulated Depreciation		
As at April 01, 2017	**0.18**	**-**
Charge for the Year	2.68	-
Disposals/Adjustments	-	-
As at March 31, 2018	**2.86**	**-**
Charge for the Year	7.54	-
Disposals/Adjustments	-	-
As at March 31, 2019	**10.40**	**-**
Net Block Value		
As at March 31, 2018	**58.82**	**-**
As at March 31, 2019	**179.36**	**91.03**

A. **Capital commitment:** The estimated amount of contracts remaining to be executed on capital account, and not provided for is Nil as at March 31, 2019 (Rs. 165.11 lacs as at March 31, 2018).

5 Financial Assets

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

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Others :		
(i) Equity Shares of Cosmos Bank	0.02	0.02
Total	**0.02**	**0.02**

5.2 Loans

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Loan to Related Parties		
(i) Shakti Irrigation India Ltd.	-	261.24
Total	**-**	**261.24**

6 Non-Current Tax Assets (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Net Income Tax Assets	335.85	333.88
Total	**335.85**	**333.88**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

7 Other Non-Current Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
(i) Miscellaneous Expenditure	2.13	0.45
(ii) Balances with Government Authorities	1,512.91	402.21
(iii) Capital Advances	112.19	13.82
Total	**1,627.23**	**416.48**

CURRENT ASSETS

8 Inventories

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Raw Material	5,606.21	4,396.50
(ii) Packing Material & Consumables	245.82	200.32
(iii) Work In Process	2,645.70	2,222.79
(iv) Finished Goods	4,766.59	4,551.06
(v) Stock in Transit	292.44	243.06
Total	**13,556.75**	**11,613.73**

Notes:

1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}

2 Valued at lower of cost and Net Relisable value unless otherwise stated (Refer accounting policies)

9 Financial Assets

9.1 Trade Receivables

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, at amortised cost)		
(i) Considered good	18,053.72	14,334.16
(ii) Considered doubtful	9.00	-
Less : Provision for expected credit Loss	(9.00)	-
Total	**18,053.72**	**14,334.16**

Notes:

1. Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
2. Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.
3. Related party transactions & balance {Refer note no. 37}

9.2 Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Cash In Hand	3.98	2.63
(ii) Balance with Scheduled Banks :		
(a) In current Accounts	430.85	306.69
(b) Fixed Deposit with Maturity less than 3 months	96.61	726.78
Total	**531.44**	**1,036.10**

9 Financial Assets *(contd.)*

9.3 Other Bank Balances

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) In Fixed Deposit Accounts	1,347.14	1,507.50
(ii) Unclaimed Dividend	21.52	20.20
Total	**1,368.66**	**1,527.70**

Notes:

1 Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.

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

9.4 Other Financial Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- considered good)		
(i) Security Deposits	647.45	675.65
(ii) Interest Receivable on Fixed Deposits with Bank	11.97	27.05
Total	**659.42**	**702.70**

10 Current Tax Assets (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Net Income Tax Assets	57.28	-
Total	**57.28**	**-**

11 Other Current Assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- considered good)		
(i) Prepaid Expenses	357.58	144.27
(ii) Advance to suppliers	429.03	221.81
(iii) Statutory and Other Receivables	6,142.44	3,023.71
Total	**6,929.05**	**3,389.79**

12 Share Capital

(₹ in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
15 % Compulsory Convertible Preference Shares of Rs.100/- each	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**
Issued & Subscribed :				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**
Paid Up Capital :				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

12 Share Capital *(contd.)*

12.1 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) Eachholder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

(iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

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

(i) **Equity Shares :** (₹ in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	1,838.02
Add: Additional equity shares issued during the year	-	-	-	-
Less: Equity shares forfeited/bought back during the year	-	-	-	-
Balance as at the end of the period	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Mr. Dinesh Patidar	35,21,488	19.16%	35,21,488	19.16%
Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
M.L. Securities & Finance Pvt. Ltd	9,38,994	5.11%	9,38,994	5.11%
AF Holdings	16,36,363	8.90%	16,36,363	8.90%

13 Other Equity

(₹ in lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total
	Surplus in P/L Statement	General Reserve				
Balance as at March 31, 2017	**1,935.73**	**9,687.24**	**20.58**	**8,797.81**	**62.99**	**20,504.34**
Add/(Less):						
Appropriations/Adjustments :						
Income tax Excess/ short provision	-	(50.53)	-	-	-	(50.53)
Dividend paid including tax thereon	(442.44)	-	-	-	-	(442.44)
Acquisition of Controlling Interest	-	-	29.29	-	-	29.29
Profit for the year	3,484.83	-	-	-	-	3,484.83
Other Comprehensive Income (Net of Taxes)	(0.35)	-	-	-	-	(0.35)
Others	(1.83)	-	-	-	1.83	-
Balance as at March 31, 2018	**4,975.94**	**9,636.71**	**49.87**	**8,797.81**	**64.82**	**23,525.15**

13 Other Equity *(contd.)*

(₹ in lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total
	Surplus in P/L Statement	General Reserve				
Add/(Less):						
Appropriations/Adjustments :						
Income tax Excess/ short provision	-	1.65	-	-	-	1.65
Dividend paid including tax thereon	(819.86)	-	-	-	-	(819.86)
Profit for the year	4,507.50	-	-	-	-	4,507.50
Other Comprehensive Income (Net of Taxes)	6.77	-	-	-	-	6.77
Others	-	-	-	-	(19.93)	(19.93)
Balance as at March 31, 2019	**8,670.35**	**9,638.36**	**49.87**	**8,797.81**	**44.89**	**27,201.28**

NON CURRENT LIABILITIES

14 Financial liabilities

14.1 Non Current Borrowings

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Term Loans:		
Term loan from Bank	2,909.67	1,904.70
(ii) Other:		
Vehicle Loan from Bank	74.50	-
Less: Current Maturities of Long Term Borrowings	(849.34)	(440.00)
Total	**2,134.82**	**1,464.70**

(a) Interest rate of the above loan in range between 9.10% to 16.00%

(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 & immovable property, plant & equipments.

(c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)

(d) Vehicle Loans are secured by respective vehicles.

(e) Maturity Profile of the above loan as below :

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Within One year	849.34	440.00
(ii) Two to Five years	2,134.82	1,464.70
(iii) More than Five years	-	-
Total	**2,984.16**	**1,904.70**

15 Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits :		
(i) Gratuity Payable	400.01	327.77
(ii) Leave Encashment	56.38	47.05
Total	**456.39**	**374.82**

{Refer Provision for Employee Benefits note no. 35}

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

16 Deferred Tax Liabilities (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting Deferred Tax Liabilities:		
(i) Property, Plant and Equipment	1,176.42	998.89
Total	**1,176.42**	**998.89**

CURRENT LIABILITIES

17 Financial Liabilities

17.1 Current Borrowings

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Secured		
Loans Repayable on Demand from Banks	10,984.21	6,969.35
(ii) Unsecured		
Loans Repayable on Demand from Banks	3,859.60	2,157.65
Total	**14,843.81**	**9,127.01**

(a) Interest rate of the above loan in range between 6.10% to 11.00%

(b) **Working Capital loans and other credit facility are secured by way of :**

(i) First parri passu charge on both present and/or future, current assets including inventories & receivables.

(ii) Second parri passu charge on both present and/or future, movable & immovable property, plant & equipments.

(iii) Personal Guarantee of Directors & Others.

17.2 Trade payables

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Dues to Micro, Small and Medium Enterprises	1,339.44	-
(ii) Dues to other than Micro, Small and Medium Enterprises	5,874.53	4,979.33
Total	**7,213.97**	**4,979.33**

Related party transactions & balance {Refer note no. 37}

Amounts due to Micro, Small and Medium Enterprises

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than the stipulated period, are given below:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount due and remaining unpaid*	1,339.44	-
(ii) Interest paid	-	-
(iii) Interest due	-	-
(iv) Interest accrued and due	-	-
(v) Interest due and remaining unpaid	-	-

* There are no confirmation received from any vendor for any balance due as micro, small, and medium enterprises from our Indian subsidiary Shakti Energy Solutions Private Limited as on March 31, 2019.

17 Financial Liabilities *(contd.)*

17.3 Other Financial Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Current Maturities of Long Term Borrowings	849.34	440.00
(ii) Unclaimed Dividend *	21.52	20.20
(iii) Security Deposits Payable	97.94	90.62
(iv) Creditors for Service & Others	1,063.08	1,003.71
(v) **Other Payables :**		
- Employee Dues	366.55	378.48
- Others	199.04	355.13
Total	**2,597.48**	**2,288.14**

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

(a) Current Maturities of Long Term Debt

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan		
(i) From Banks	827.62	440.00
(ii) Vehicle Loan	21.72	-
Total	**849.34**	**440.00**

18 Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits :		
(i) Gratuity Payable	11.12	8.18
(ii) Leave Encashment	3.44	2.73
Total	**14.56**	**10.91**

{Refer provision for Employee Benefits note no.(35)}

19 Other Current Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Advance from Customers	394.41	357.45
(ii) Other Payables	395.59	425.09
(iii) Duties and Taxes payable	73.01	46.59
Total	**863.01**	**829.13**

20 Current Tax Liabilities (Net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Provision for Income Tax (Net)	-	309.72
Total	**-**	**309.72**

21 Revenue from Operation

Sale of Products

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Domestic Sales	39,189.24	29,488.95
(ii) Export Sales	13,882.95	13,002.00
(iii) Other Operating Income	1,572.80	1,169.81
TOTAL	**54,644.99**	**43,660.76**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

21 Revenue from Operation *(contd.)*

(a) **Other Operating Income Includes :** (₹ in lacs)

Particulars	2018-19	2017-18
(i) Export Benefits	379.59	298.49
(ii) Scrap Sales	1,154.08	869.61
(iii) Income from Services	0.07	0.81
(iv) Other Operating Income	39.06	0.90
TOTAL	1,572.80	1,169.81

(b) **Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

Revenue disaggregation based on Product Type and Customer type:

(i) **Revenue disaggregation by Product Type: Pumps and Motors.**

(ii) **Revenue disaggregation by Customer Type is as follows:** (₹ in lacs)

Customer Type	2018-19	2017-18
(i) Customers under Government Projects	22,643.57	16,121.90
(ii) Industrial Customers	2,029.53	1,893.34
(iii) Export Customers	13,882.95	13,002.00
(iv) OEM Customers	9,614.45	8,516.69
(v) Other Customers	6,474.49	4,126.83
TOTAL	54,644.99	43,660.76

22 Other Income

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Interest Income	103.17	226.05
(ii) Rent Received	12.44	12.26
(iii) Others	264.54	111.05
TOTAL	380.15	349.36

EXPENSES

23 Cost Of Material Consumed

(₹ in lacs)

Particulars	2018-19	2017-18
Opening Stock of Raw Material	4,596.83	3,089.14
Add: Purchase of Raw Material	34,348.36	25,158.16
	38,945.19	28,247.30
Less: Closing Stock of Raw Material	5,852.03	4,596.82
TOTAL	33,093.17	23,650.48

23.1 **Details of Consumption of Imported and Indigenous Items :** (₹ in lacs)

Particulars	2018-19	2017-18
(i) Imported	8,239.46	5,280.53
(ii) Domestic	24,853.71	18,369.95
TOTAL	33093.17	23650.48

24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(₹ in lacs)

Particulars	2018-19	2017-18
Inventories (at Close)		
(i) Finished Goods/Stock-In-Trade	5,059.03	4,794.12
(ii) Work-In-Progress	2,645.70	2,222.79
TOTAL	7,704.73	7,016.90

24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress *(contd.)*

(₹ in lacs)

Particulars	2018-19	2017-18
Inventories (at Opening)		
(i) Finished Goods/Stock-In-Trade	4,794.12	4,687.67
(ii) Work-In-Progress	2,222.79	2,485.51
TOTAL	7,016.90	7,173.18
Change In Inventories	(687.82)	156.28

25 Employee Benefit Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Salaries, Wages and Bonus	4,663.63	4,019.01
(ii) Contribution to Provident and Other Funds	344.72	208.98
(iii) Staff Welfare Expenses	284.92	227.44
TOTAL	5,293.27	4,455.43

26 Finance Cost

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Interest to Bank	1,399.58	1,048.34
(ii) Interest to Other	13.21	9.78
(iii) Other Borrowing Costs	367.88	342.79
TOTAL	1,780.66	1,400.91

27 Other Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Power & Fuel	235.44	214.65
(ii) Job Work Expenses	357.25	147.68
(iii) Clearing & Forwarding Charges	213.74	166.19
(iv) Freight Charges	1,301.20	1,104.97
(v) Travelling Expenses	1,038.43	928.72
(vi) Advertisement Expenses	546.65	525.35
(vii) ECGC Premium	13.10	30.69
(viii) Selling & Distribution Expenses	2,277.74	2,018.16
(ix) Legal, professional and consultancy charges	321.47	352.67
(x) Rent	112.95	68.66
(xi) Entry Tax	-	10.69
(xii) Manufacturing Expenses	397.38	563.64
(xiii) Auditors Remuneration	7.98	10.92
(xiv) Corporate Social Responsibility Expenses	46.32	50.55
(xv) Rates and taxes	26.52	165.92
(xvi) Repair & Maintenance	139.83	73.16
(xvii) Conveyance Expenses	267.32	217.35
(xviii) Communication Expenses	92.32	93.54
(xix) Directors Remuneration	305.31	246.53
(xx) Office & Administrative Expenses	158.62	155.65
(xxi) Bad Debts Written off	82.40	332.59
(xxii) Provision for Doubtful Debts	9.00	-
(xxiii) Donations and Contributions	9.41	15.04
(xxiv) Software Maintenance Expenses	67.61	20.57
(xxv) Miscellaneous Expenses	1.73	37.66
Total	8,029.73	7,551.55

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

27 Other Expenses *(contd.)*

27.1 Payment To Auditors :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) For Statutory Audit	4.00	4.50
(ii) For Taxation Matters-including components Auditor	-	1.50
(iii) For Other Services -including components Auditor	3.98	4.92
TOTAL	**7.98**	**10.92**

27.2 Corporate Social Responsibility Expenses :

(₹ in lacs)

Nature of expenditure	2018-19	2017-18
(i) Free Medical Treatment thru Shakti Foundation	1.00	-
(ii) School Fees of poor childs thru Shakti Foundation	20.50	12.50
(iii) Initiative for Moral & Cultural Training Foundation	2.57	1.50
(iv) Bal Mahotsav celebration, Laptop distribution	1.64	0.41
(v) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple	20.61	36.14
Total	**46.32**	**50.55**

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs. 78.22 lacs (March 31, 2018, Rs. 51.51 lacs).

28 Research & Development

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Capital Expenditure	268.01	-
(ii) Revenue Expenditure	335.33	-
Total Expenditure Incurred	**603.33**	**-**
Less: Income Earned by R&D	-	-
Net Expenditure Incurred	**603.33**	**-**

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 &403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology.(Refer accounting policies)

29 Contingent Liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Bank Guarantee Outstanding	6,509.71	4,335.46
(ii) Unexpired Letter of Credit	4,570.14	5,661.04
(iii) Commercial Tax Demand Under Dispute	182.51	152.34
(iv) Income Tax Demand Under Dispute	3,759.64	1,475.85
(v) Excise Demand Under Dispute	-	47.70
Total	**15,022.01**	**11,672.39**

30 Earnings Per Share

(₹ in lacs)

Particulars	2018-19	2017-18
Profit / (Loss) for the year as per Statement of Profit and Loss	4,507.50	3,484.83
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10.00	10.00
Basic Earning Per Share	**24.52**	**18.96**
Diluted Earning Per Share	**24.52**	**18.96**

31 Proposed Dividend

A dividend at the rate of 50% i.e. Rs.5/- per equity shares is recommended by the Board of Directors at their meeting held on May 10, 2019 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

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Export Sales of Pumps, Motors & Spares (FOB Value)	13,882.95	13,002.00
Total	13,882.95	13,002.00

33 Expenditure in Foreign Currency on Account of :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Exhibition & Promotional Expenses	54.83	5.29
(ii) Travelling Expenses	287.71	326.27
(iii) Advertisement Expenses	3.55	22.29
(iv) Commission on Sales	41.36	-
Total	387.46	353.84

34 Value of Imports on CIF Basis in Respect of :

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Raw Material	7,939.63	5,280.53
(ii) Capital Goods	928.56	94.72
Total	8,868.19	5,375.25

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.

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Employers Contribution to Provident Fund/ Pension Fund	132.84	122.04
(ii) Employers Contribution to ESIC	12.61	11.37
Total	145.45	133.41

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 :

(₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Present value of obligation at the end of year	59.82	49.78	443.50	348.55
(ii) Fair value of plan assets at the end of year	-	-	32.37	12.60
Net liability recognized in the Balance Sheet	59.82	49.78	411.13	335.95

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

35 Employee Benefit Obligations *(contd.)*

The amounts recognized in the Statement of Profit and Loss are as follows: (₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Current Service Cost	11.76	(42.85)	54.94	3.13
(ii) Interest Cost	3.90	6.76	30.89	23.69
(iii) Past Service Cost	-	-	-	-
(iv) Benefits Paid	-	-	-	-
(v) Recognized Net Actuarial (Gain)/ Loss	3.15	-	-	-
Total, included in Employee Benefit Expenses	**18.82**	**(36.10)**	**85.83**	**26.82**

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows : (₹ in lacs)

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Defined benefit obligation at beginning of the year	49.78	0.17	406.68	310.27
(ii) Current Service Cost	11.76	42.85	54.94	3.13
(iii) Past Service Cost	-	-	-	-
(iv) Interest Cost	3.90	6.76	31.88	24.42
(iv) Benefits Paid	(8.77)	-	(14.30)	(12.26)
(v) Actuarial (Gain)/ Loss	3.15	-	(35.70)	22.99
Defined benefit obligation at end of the year	**59.82**	**49.78**	**443.50**	**348.55**

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Discount Rate	7.84%	7.87%	7.84%	7.87%
(ii) Salary Escalation Rate	7.00%	7.00%	7.00%	7.00%
(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:

Particulars	Leave Encashment		Gratuity	
	2018-19	2017-18	2018-19	2017-18
(i) Retirement Age	60 years	60 years	60 years	60 years
(ii) Employee Turnover :				
18-30 Years	3.00%	3.00%	3.00%	3.00%
30-45 Years	2.00%	2.00%	2.00%	2.00%
Above 45 Years	1.00%	1.00%	1.00%	1.00%

The Sensitivity of the Defined Benefit Obligation to changes in the Weighted Principal Assumptions is:

Gratuity : (₹ in lacs)

Principal assumption	Year	Changes in assumption	Impact on Defined Benefit Obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2019	100 Basis Points	(64.02)	78.96
	2018	100 Basis Points	69.24	(56.37)
(ii) Salary Growth Rate	2019	100 Basis Points	78.83	(65.02)
	2018	100 Basis Points	69.15	(57.27)

35 Employee Benefit Obligations *(contd.)*

Leave Encashment : (₹ in lacs)

Principal assumption	Year	Changes in assumption	Impact on Defined Benefit Obligation	
			Increase in assumption	Decrease in assumption
(i) Discount Rate	2019	100 Basis Points	(8.95)	11.13
	2018	100 Basis Points	9.33	(7.49)
(ii) Salary Growth Rate	2019	100 Basis Points	11.11	(9.09)
	2018	100 Basis Points	9.32	(7.61)

Gratuity : (₹ in lacs)

Expected Cash Flow for the Next Ten Years	March 31, 2019	March 31, 2018
Year 2019	-	10.02
Year 2020	11.56	14.09
Year 2021	21.31	25.60
Year 2022	15.17	36.41
Year 2023	23.77	27.28
Year 2024	33.24	-
Year 2024 -2028	-	238.75
Year 2025 - 2029	283.27	-

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

(₹ in lacs)

Particulars	2018-19	2017-18
(i) Profit or Loss Section		
Current Tax Expenses on Profit before tax	1,326.73	1,761.13
Deferred Tax	177.53	154.56
Total Income Tax Expenses Recognised in Statement of Profit & Loss	**1,504.26**	**1,915.69**
(ii) Other Comprehensive Income (OCI) Section		
Income tax charged to OCI	(3.59)	0.19
(iii) Reconciliation of Effective Tax Rate		
A) Profit Before Tax	6,011.76	5,400.52
B) Enacted Tax Rate In India	34.94%	34.61%
C) Expected Tax Expenses	2,100.75	1,869.01
D) Other Than Temporary Difference Section	-	370.62
E) Temporary Difference		
- Difference Between Book Depreciation and Tax Depreciation	(98.90)	(74.48)
- Deduction on account of Research and Development Expenses	(569.67)	-
- Other Provisions	(1,546.45)	133.38
F) **Net Adjustment (E-D)**	**(2,215.02)**	**(311.72)**
G) Tax Expenses/(Saving) on Net Adjustment (F*B)	(774.02)	(107.88)
H) Current Tax Expenses Recognised In Statement of Profit & Loss (C+G)	1,326.73	1,761.13
I) Changes on Account of Deferred Tax	177.53	154.56
Net Current Tax Expenses Recognised In Statement Of Profit & Loss (H+I)	**1,504.26**	**1,915.69**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 :** (₹ in lacs)

S. No	Name of Party	Nature of Transaction	2018-19	2017-18
1	Shakti Irrigation India Ltd.	Purchase of Components	886.41	595.89
		Purchase of Drip Irrigation Pipes	0.18	348.24
		Purchase of Pipes	-	5.17
		Sale of Parts & Pipes	9.66	85.33
		Sale of Pumps & Motors & other material	0.73	89.57
		Interest Received	8.17	51.82
2	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	784.42	580.55
		Sale of Asset	0.60	-
		Sale of Spare parts	33.32	1.86
		Interest Received	-	76.47
3	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	305.06	204.10
		Purchase of Solar Structure Accessories	75.80	-
		Sale of Solar Structure Parts	3.49	-
		Sale of Asset	5.89	0.77
		Sale of Spare Parts	39.44	13.22
4	Shakti Irrigation Pvt. Ltd.	Sale of Pumps, Motors & other material	5.46	3.89
		Sale of Asset	-	3.09
		Income from Rent	12.26	12.26
		Purchase of Pipes	593.59	172.19
		Purchase of Asset	-	51.19
5	SPIL Energy Ltd.	Purchase of Pumps, Motors & other material	-	0.46
6	Dinesh Patidar	Remuneration	232.50	168.00
		Other Allowances	-	-
7	Sunil Patidar	Remuneration	12.00	12.00
		Other Allowances	11.72	11.53
8	Ramesh Patidar	Remuneration	35.00	29.00
		Other Allowances	2.59	2.00
9.	Mrs. Indira Patidar	Remuneration	24.00	24.00

37 Related Party Disclosure as required by Indian Accounting Standard 24 is as below *(contd.)*

(iii) **Related Party Balance :** (₹ in lacs)

S. No	Nature	Name of Party	As at March 31, 2019	As at March 31, 2018
1	Trade Receivables	Shakti Irrigation India Ltd.	0.87	114.25
		Shakti Irrigation Private Ltd.	-	25.88
2	Trade Payables	Vintex Tools Pvt. Ltd.	282.41	313.80
		Shakti Irrigation India Ltd.	112.07	303.88
		Shakti Irrigation Private Ltd.	9.25	18.61
		Arsh Industrial Solutions Pvt. Ltd.	6.63	-
		SPIL Energy Ltd.	-	104.23
3	Loan & Advances	Shakti Irrigation India Limited	-	261.24
4	Advance from Customers	SPIL Energy Ltd.	-	10.03
5	Advance to Vendor	Shakti Irrigation India Ltd.	98.92	-
6.	Creditors for service & others	Mrs. Indira Patidar	1.45	-

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.

(₹ in lacs)

Financial Instruments by category	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,900.10	2,563.80	1,900.10	2,563.80
Other Financial Assets	659.42	702.70	659.42	702.70
Loans	-	261.24	-	261.24
Trade Receivables	18,053.72	14,334.16	18,053.72	14,334.16
Total	**20,613.24**	**17,861.90**	**20,613.24**	**17,861.90**
Financial Liabilities at Amortised Cost				
Trade Payables	7,213.97	4,979.33	7,213.97	4,979.33
Borrowings	17,827.97	11,031.70	17,827.97	11,031.70
Other Financial Liabilities	1,748.13	1,848.14	1,748.13	1,848.14
Total	**26,790.08**	**17,859.16**	**26,790.08**	**17,859.16**

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

38 Financial Instruments *(contd.)*

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets: (₹ in lacs)

Particulars	As at March 31, 2019			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,900.10	-	-	1,900.10
Other Financial Assets	659.42	-	-	659.42
Trade Receivables	18,053.72	-	-	18,053.72
Financial Liabilities at Amortised Cost				
Trade Payables	7,213.97	-	-	7,213.97
Borrowings	17,827.97	-	-	17,827.97
Other Financial Liabilities	1,748.13	-	-	1,748.13

(₹ in lacs)

Particulars	As at March 31, 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	261.24	-	-	261.24
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	1,848.14	-	-	1,848.14

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:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (A)	17,827.97	11,031.70
Equity (B)	29,039.30	25,363.17
Debt Equity Ratio (A/B)	**0.61**	**0.43**

38 Financial Instruments *(contd.)*

2. **Credit Risk :**

(i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

(ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

3. **Liquidity Risk :**

Liquidity Risk Management : Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings : (₹ in lacs)

Exposure to Risk	As at March 31, 2019	As at March 31, 2018
Interest Bearing Borrowings:		
On Demand	10,984.21	4,619.35
Less than 180 Days	4,284.27	4,727.65
181-365 Days	424.67	220.00
More than 365 Days	2,134.82	1,464.70

4. **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) **Foreign Currency Exchange Rate Risk :**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures: (₹ in lacs)

Particulars	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade Receivables	AUD	(0.07)	(3.67)	0.11	4.99
	EUR	0.18	13.81	0.55	43.40
	USD	46.22	3,158.55	58.54	3,660.91
	Total		**3,168.68**		**3,709.30**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

38 Financial Instruments *(contd.)*

(₹ in lacs)

Particulars	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
II. Trade Payables	EUR	1.40	102.22	2.44	182.11
	USD	13.61	926.90	4.94	301.57
	JPY	7.80	4.74	-	-
	Total		**1,033.86**		**483.68**

Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
March 31, 2019			
Based on YOY change between F18 & F19	USD	+10%	223.16
	USD	-10%	(223.16)
	AUD	+10%	(0.37)
	AUD	-10%	0.37
	EUR	+10%	(8.84)
	EUR	-10%	8.84
	JPY	+10%	(0.47)
	JPY	-10%	0.47
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%	(13.87)
	EUR	-10%	13.87

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.

Floating Interest Rate Exposures:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured :		
Loans Repayable on Demand from Banks	10,984.21	6,969.35
Unsecured :		
Loans Repayable on Demand from Banks	3,859.60	2,157.65
Total	**14,843.81**	**9,127.01**

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:

38 Financial Instruments *(contd.)*

(₹ in lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax (Loss)
As at March 31, 2019	+100	(148.44)
	-100	148.44
As at March 31, 2018	+100	(91.27)
	-100	91.27

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:

(₹ in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Segment Revenue		
India	53,184.09	41,884.39
Overseas	8,110.67	6,138.04
Total Segment Revenue	**61,294.76**	**48,022.43**
Inter segment sales	(6,269.62)	(4,012.31)
Income from operations	**55,025.14**	**44,010.12**
2. Segment Results		
Profit/(loss) before finance costs, Exceptional Items & Tax		
India	6,231.62	5,890.38
Overseas	1,560.80	911.05
Total	**7,792.42**	**6,801.43**
Less: Finance Cost	1,780.66	1,400.91
Profit before exceptional items & tax	**6,011.76**	**5,400.52**
Exceptional Items	-	-
Profit before Tax	**6,011.76**	**5,400.52**
3. Capital Employed		
(Segment Assets)		
India	55,134.22	43,041.35
Overseas	3,205.54	2,704.47
Total Segment Assets	**58,339.76**	**45,745.82**
(Segment Liabilities)		
India	28,216.56	18,333.02
Overseas	1,083.90	2,049.63
Total Segment Liabilities	**29,300.46**	**20,382.65**
Net Capital Employed		
(Segment Assets-Segment Liabilities)		
India	26,917.66	24,708.33
Overseas	2,121.64	654.84
Total Capital Employed	**29,039.30**	**25,363.17**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

40 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013

(₹ in lacs)

Name of the entity		Net Assets		Share in Profit or Loss	
		As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount
F.Y. 2018-19					
a)	**Parent**				
	Shakti Pumps India Limited	87.56%	25,425.80	68.97%	3,109.02
b)	**Subsidiaries**				
	Indian				
	Shakti Energy Solutions Pvt. Ltd.	5.14%	1,491.85	0.34%	15.14
	Foreign				
	Shakti Pumps LLC, USA	4.29%	1,244.94	9.01%	406.06
	Shakti Pumps FZE, UAE	2.43%	706.94	20.96%	944.56
	Shakti Pumps Pty Ltd., Australia	0.34%	98.12	0.37%	16.89
	Shakti Pumps (Shanghai) Limited, China	0.12%	34.37	0.38%	17.10
	Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.13%	37.27	-0.03%	(1.27)
c)	**Minority Interest**				
	i) Indian	-	-	-	-
	ii) Foreign	-	-	-	-
	Total	**100%**	**29,039.30**	**100%**	**4,507.50**
F.Y. 2017-18					
a)	**Parent**				
	Shakti Pumps India Limited	94.50%	23,967.83	80.34%	2,799.73
b)	**Subsidiaries**				
	Indian				
	Shakti Energy Solutions Pvt. Ltd.	2.92%	740.50	0.28%	9.67
	Foreign				
	Shakti Pumps LLC, USA	3.16%	802.74	7.94%	276.82
	Shakti Pumps FZE, UAE	-0.91%	(232.03)	11.18%	389.74
	Shakti Pumps Pty Ltd., Australia	0.33%	84.13	0.25%	8.87
c)	**Minority Interest**				
	i) Indian	-	-	-	-
	ii) Foreign	-	-	-	-
	Total	**100%**	**25,363.17**	**100%**	**3,484.83**

41 The company incorporated wholly owned subsidiary company in Bangladesh 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 March 31, 2019.

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

43 Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : May 10, 2019

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

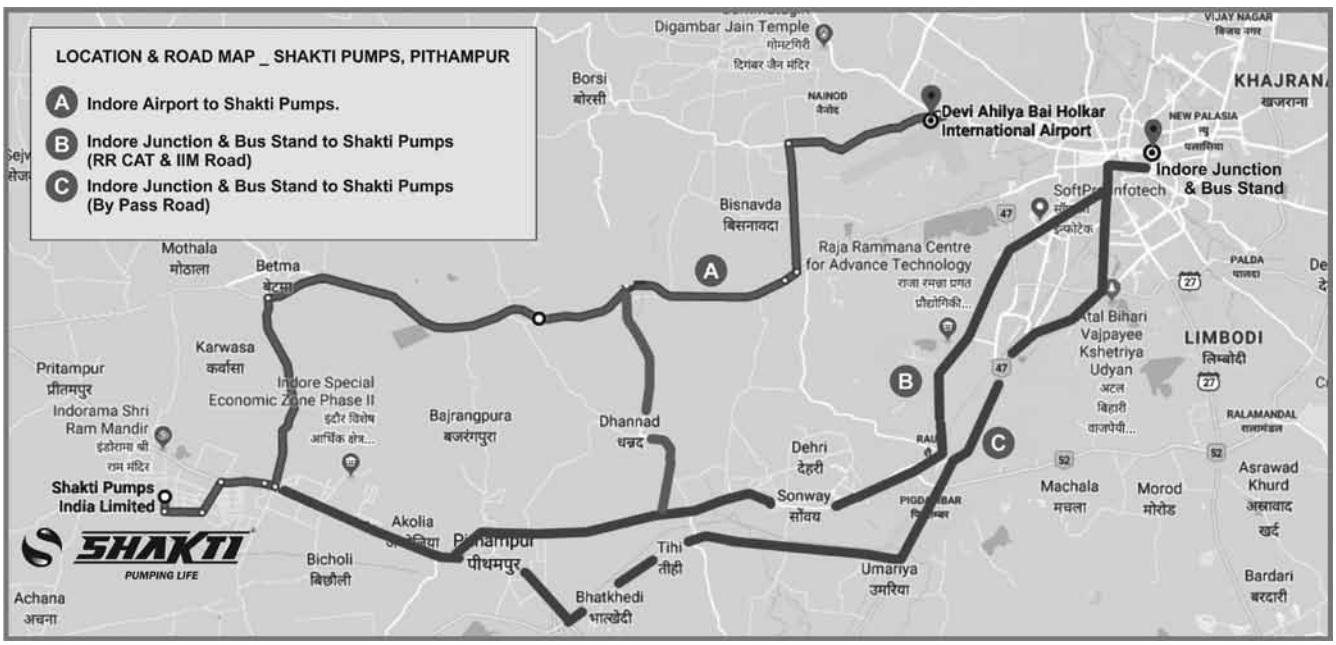
Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Route Map of Annual General Meeting



SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327
Registered Office: Plot No. 401, 402 & 413, Industrial Area, Sector-III, 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: .....

   E-mail ID: .....

   Signature: ....., or failing him.

2. Name: ..... Address: .....

   E-mail ID: .....

   Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on the Friday, September 27, 2019 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, 2019.		
2	Approval of final dividend for the year ended March 31, 2019.		
3	Re-appointment of Mr. Sunil Manoharlal Patidar (DIN:-02561763), who retires by rotation.		
Special Business			
4	Reappointment of Mr. Navin Sunderlal Patwa (DIN:01009404), as an Independent Director of the Company.		
5	Appointment of Mr. Keyur Bipinchandra Thaker (DIN: 08474827), as an Independent Director of the Company.		
6	Ratification of remuneration payable to M/s. M.P. Turakhia & Associates, Cost Auditor of the Company.		
7	Revision of remuneration of Mr. Dinesh Patidar (DIN: -00549552) Managing Director of the Company.		

....

Signature of Shareholder Signature of Proxy holder(s)

SHAKTI PUMPS (INDIA) LIMITED

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Email: cs@shaktipumpsindia.com

ATTENDANCE SLIP

24th Annual General Meeting on Friday, September 27, 2019 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 24th Annual General Meeting of the Company held on Friday, September 27, 2019 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.

Notes

Notes

Corporate Information

Board of Director

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. Pramod Kumar Bhavsar	*Independent Director*
6.	Mrs. Nishtha Neema	*Women Independent Director*
7.	Mr. Sridhar Narayan	*Nominee Director*

Company Secretary & Compliance Officer

Mr. Ravi Patidar

Statutory Auditor

PGS & Associates
Mumbai

Secretarial Auditor

M/s. M. Maheshwari & Associates
Indore

Cost Auditor

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

Banker

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, District Dhar
M.P.-454774.
Telephone: +91- 7292-410500
Fax: +91-7292-410645
Email: cs@shaktipumpsindia.com,
Web: www.shaktipumps.com

SHAKTI®

PUMPING LIFE

SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327,
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