



CONSERVE. SERVE. PRESERVE.

Robust Strategy. Rapid Execution. Sustainable Value.



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INVESTOR INFORMATION

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|-------------------|---|
| BSE Code | 531431 |
| NSE SYMBOL | SHAKTIPUMP |
| Dividend Declared | ₹ 8.00 PER SHARE |
| AGM Date | 29 th September, 2021 |
| AGM Mode | Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') |

DISCLAIMER: This document contains statements about expected future events and financials of Shakti Pumps (India) Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



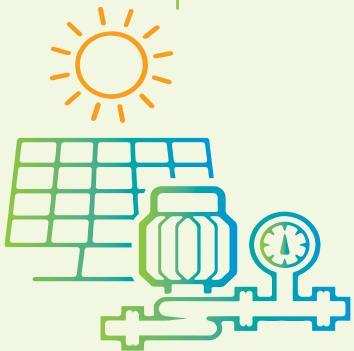
Please find the online version of this Report at:
<https://www.shaktipumps.com/annual-report.php>

Simply scan the QR code below to view our Report



CONSERVE. SERVE. PRESERVE.

**Robust Strategy. Rapid Execution.
Sustainable Value.**



Sustaining natural resources is vital. The Earth is poised to feed on resources available, and it becomes our duty to ensure its responsible usage.

Thus, it's fundamental to Conserve what we have, Serve our next generations the resources, and Preserve the natural assets for future use. As one of India's leading solar pump manufacturers, Shakti Pumps is built on this thought of Conserve. Serve. Preserve. With the power of R&D and innovation, we make Robust Strategies to Conserve, and make the best use of natural resources. Our Rapid Executions are meant to Serve as many farmers, and therefore as many lives as we can. And through the Sustainable Value we create, we ensure to Preserve the assets for the People, Planet and Profit.

Not just an entity, Shakti Pumps is an idea, which believes in taking along all to make them conscientious future leaders to create a balanced habitat for today and tomorrow.



CHAIRMAN'S MESSAGE



We met the challenges head-on and rose above the tide. Our team's tremendous effort is reflected in our outstanding performance. Despite such extraordinary times and unexpected hurdles, the team of Shakti Pumps has consistently supported our vision to incorporate solar energy into India's agrarian life.

Dear Shareholders,

I hope you all are doing well and staying healthy during these trying times. The past year has been a test for humanity. It has shown the importance of always being prepared with a contingency plan. It has demonstrated how it is vital to remain resilient in the face of adversity and put your best foot forward. But despite it all, there is positive momentum across all categories and geographies. It gives me immense pleasure to see how the world's greatest immunisation drive has pushed morals of people to rise once again, making things increasingly positive.

I am honoured to inform you that we met the challenges head-on and rose above the tide. Our team's tremendous

effort is reflected in our outstanding performance. Despite such extraordinary times and unexpected hurdles, I want to commend the Shakti team for consistently supporting and advancing Shakti Pumps, both in performance and its vision to incorporate solar energy into India's agrarian life.

PM-KUSUM – Unlocking Solar Energy to Power Pumps

The Government's move towards solar-powered pumps for the farmers – making them the net producers of electricity from net consumers – have sown the seeds of transformation in the agriculture and allied space. Demand issues are now a thing of the past, thanks to increased cooperation from

authorities, Governments, local bodies, and, most significantly, our farmers.

At Shakti Pumps, we have observed conversions at the ground level under the KUSUM initiative during the previous few years. The Government has been actively focussing on our farmers' growth and progressing towards their total socio-economic development. To this line, KUSUM, solar pumps and Shakti Pumps are all anticipated to play a vital role.

With rising temperatures and global warming, lowering carbon emissions has become a pressing priority, prompting the Government to take appropriate action. As a result, we are now seeing a greater focus on renewable and alternative energy from the Government. Our vision and tactics



at Shakti Pumps align with global environmental goals and Government policies aimed at reducing increasing temperatures and pollution.

Shakti Pumps and Solar Pumping

With the developments under KUSUM, Shakti Pumps has risen to the top of the industry this year. In India, the Company has focussed on promoting solar energy. We have worked hard to make solar pumping in India more affordable and technologically advanced. We recently opened a new VFD unit, which has helped us decrease manufacturing costs and allowed us to produce pumps that are faster and more efficient.

Strategy Going Ahead

KUSUM was in its pilot phase during the previous year and in the year under review as well. We have all worked relentlessly to promote the project in India, with a higher level of adoption of solar pumps. All of India's achievements in the solar pumping space have better aligned the national and the state's thought processes. This indicates the immense potential that solar pumps have in India. We have been placing strong focus on KUSUM, and will continue to try and accelerate the adoption of solar pumping in India.

Our Performance During the Year

Revenue from operations for the year stood at ₹ 929.66 Cr., up 142% with an EBITDA of ₹ 145.82 Cr., up by 743% and EBITDA margin of 16%. Profit for the year stood at ₹ 75.58 Cr., with a margin of 8%. We have improved our production and sales multifold, which enhanced our cash flows during the year. We have been enjoying a stable

payment cycle with the Government. Further, under the KUSUM scheme, we have an advance payment system, which positions us better when it comes to payment cycles. We saw a spike in raw material prices during the year with a potential reduction in margins. So we took to R&D, redesigned and launched new products costing lesser and with improved performance. This was a principal contributor that enabled us to maintain our margins. I would also like to mention that we have won a ₹ 200 Cr. contract funded by the Indian Government to install solar pumps in Uganda. This will help us expand green energy in Africa while also generating employment opportunities for African citizens.

R&D Capabilities

We see R&D as our future and aim to stay ahead of our peers in the same. Over the years, we have invested a lot in our R&D infrastructure and development. We have improved our motor pumps and made them faster and efficient. In the VFD space, we have launched several new products. We enjoy an established and renowned name for our products in the market, and the organic demand we are witnessing today is a testimony to our R&D strength and execution capabilities.

Covid-19 Safety

For all of us, the early months of the Covid-19 outbreak were challenging. At Shakti Pumps, we followed all of the Government's Covid-19 regulations and protocols. Our facility was stalled during the first month of national lockdown. However, we then progressively increased our capacity to 50% across all of our sites. Our

people were incredibly supportive during this challenging period. All of our staff worked together brilliantly and quickly adjusted to the new normal. We were back up and running in no time, performing much better than before.

During the pandemic, the safety of our people was a priority. We strictly adhered to social distancing and sanitisation protocols. All of our facilities are regularly sanitised since then. Our employees always wear masks and use Covid-19 appropriate safety equipment. For those who were infected with the virus, we provided them with additional compensation and a helping hand. We also vaccinated our employees and their families against Covid-19. Our team's joint efforts have propelled us into a new growth orbit, and we are confident to scale newer heights going ahead.

Vote for Thanks

I want to take this opportunity to congratulate our staff for their devotion, hard work, and sacrifices in helping us reach our objectives. I would also like to thank our clients, suppliers, bankers, the central and state governments, and other stakeholders for their steadfast trust, confidence, and support. I sincerely appreciate all our colleagues' undeterred support through the years and only hope it continues in the times to come.

Warm regards,

Dinesh Patidar

Chairman and Managing Director

GREEN ENERGY IS NOT AN ALTERNATIVE. IT IS AN ABSOLUTE GLOBAL NECESSITY.

A rise in the global temperature from 1.5°C to 3.0°C can cause irreparable damage to life on earth:

- 43% of the Himalayan high mountain glaciers would be lost, causing water scarcity
- 13% increase in the forest fire incidents across the globe, causing damage to substantial forest cover
- 50% of all plant and animal species in the world's naturally rich areas would face extinction with temperatures rising by 4°C
- 4-10 months of drought would be experienced every year, reducing global agricultural yields by average 4%
- Around 18% reduction in global GDP by 2025, if temperatures rise beyond 3.2°C

“

It is unequivocal that human influence has warmed the atmosphere, ocean and land.

”

- UN-backed Intergovernmental Panel on Climate Change (IPCC) Report

INDIA MOVING TOWARDS A GREENER TOMORROW

1 PRIORITY

India achieved the 100 GW milestone of installed renewable energy capacity as on 12th August, 2021

2 PRESENT

50 GW renewable energy infrastructure is under installation and 27 GW is under tendering

3 POTENTIAL

India has enhanced its ambition to install 450 GW of renewable energy capacity by 2030





SHAKTI AT A GLANCE

Wide Range

Of Energy-efficient Pumps
and Solar Energy Solutions

1,200

Product Variants Across
all Categories

5,00,000

Pumps Manufacturing
Capacity

2,00,000

Variable Frequency Drives
Capacity

1,00,000

Solar Structures
Capacity

100+

Countries Present

500+

Dealers and Distributors in
India

16

Branches across India

**Credible and
Efficient**

Products with BEE 5 Star, UL,
Veritas, CE Mark Ratings



HOW WE CONSERVE

One of the largest
Solar pumping Indian
companies in India

45,000+

Solar EPC installed
in the last 5 years



SERVE

Progressing India's
vision of switching
to green energy

18+

States' farmers
benefited



PRESERVE

Significant contribution to
reduction in agriculture related
greenhouse gas emissions with
energy efficient pumps

475 MW

Aggregate reduction in energy
consumption through our energy-
efficient pumping solutions

WORKING TOGETHER TO CREATE SUSTAINABLE GROWTH OPPORTUNITIES FOR ALL

Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan Scheme (PM KUSUM Scheme) was launched by the Ministry of New and Renewable Energy (MNRE). The Scheme aims to foster energy security for the farmers while inching towards clean energy agenda. It offers immense sustainable growth opportunities in the times to come.

GOVERNMENT'S FOCUS ON INDIAN AGRICULTURE SECTOR

The energy sector in India is at the culmination of a massive turnaround. With rapid advances in technology, there is an urge for persistent innovation. There is a need for enhanced productivity in power generation from renewable energy sources. Driven by falling renewable energy tariffs and Government support towards green energy use, the share of solar generation in India's power generation could equal coal-fired output by 2040 as per International Energy Agency (IEA).

The Indian Government is Cognizant of this and has thus launched several initiatives over the years, discussed as follows:

PM KUSUM SCHEME

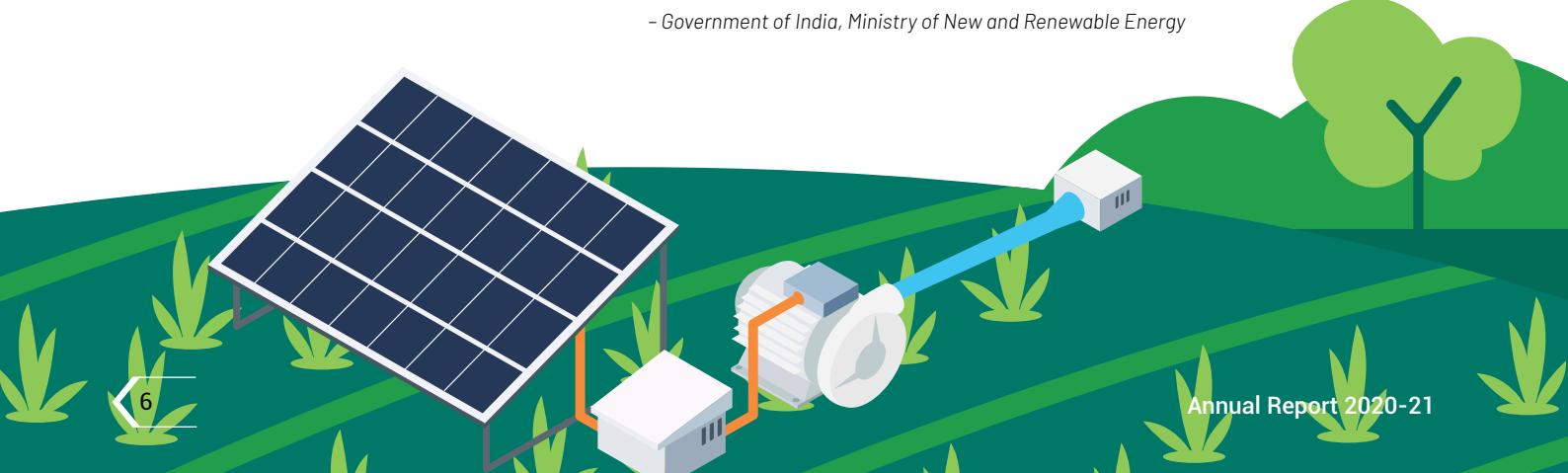
Solar-powered irrigation is a huge opportunity for India. PM Kusum Scheme was promulgated by the MNRE, Government of India, in 2019. It aimed to bring prosperity to the lives of farmers by connecting agricultural land with modern technology. Under this Scheme, the farmers are helped to develop solar energy capacity from unconventional land use without interrupting farming activities. This ambitious Scheme aims at doubling the farmers' income. It targets covering lakhs of farmers across the nation. It promises to fulfil the irrigation and water problems by providing a 60-90% subsidy to the farmer to set up solar pump sets and generation systems.

“

The Cabinet approved scaling-up of solar power target from 20,000 MW of grid-connected solar power projects to 1,00,000 MW

”

- Government of India, Ministry of New and Renewable Energy





HOW 'MAKE IN INDIA' SOLAR PUMP MANUFACTURERS CAN SERVE THE COUNTRY

Energy Efficiency Services Limited (EESL) had issued a tender in 2021 for an off-grid solar photovoltaic water pumping system on a pan-India basis under Component B of the Ministry of New and Renewable Energy's (MNRE) PM-KUSUM program for the installation of 3,17,975 pumps across all states and union territories.

Chhattisgarh Renewable Energy Development Agency (CREDA), the nodal agency for solar development in Chhattisgarh, has tendered for 20,000 solar pumps in the state for installation and commissioning of solar irrigation pumps during the period of 2021-2023.

The Andhra Pradesh Government, to recoup the Scheme's benefits, has been taking steps to solarise around 50,000 grid-connected agriculture pumps allocated to them under Component C of the PM Kusum Scheme by 2022.

The Jaipur Vidyut Vitran Nigam Limited (JVNL), Rajasthan Discom, has invited tender for solarisation of a 4.99 MW of grid-connected solar project under the renewable energy service company (RESCO) model and its associated 33 kV line to connect the agricultural feeders with the concerned substation by 2022.



PM KISAN YOJANA

The Pradhan Mantri Kisan Samman Nidhi Yojana (PM -Kisan Yojana) is a Government Scheme inaugurated by the Hon'ble Prime Minister Narendra Modi-led Government. It came into effect from 1st December, 2018. The PM Kisan Yojana aims to help small and marginal farmers with ₹ 6,000 per year as minimum income support. This 75,000 Cr. Scheme aims to cover 125 million farmers, irrespective of the size of their landholding in India.

PM JAN DHAN YOJANA

Pradhan Mantri Jan Dhan Yojana is a Government Scheme launched by the Government of India. It aims to provide easy access to financial services such as Remittance, Credit, Insurance, Pension, Savings, and Deposit Accounts to our society's poor and needy section.

The Indian Government launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) to provide financial services and products to individuals who do not have a bank account.

- No minimum balance to be maintained
- As per the bank's saving's account interest rate
- Transfer of money is simple
- Overdraft facility available

The Scheme was launched in August 2014, offering financial services like pension, insurance, and banking to individuals.

PRADHAN MANTRI FASAL BIMA YOJANA (PMFBY)

Pradhan Mantri Fasal Bima Yojana was launched in Kharif 2016 to support agriculture production by providing an affordable crop insurance product. Thereby, ensuring comprehensive risk cover for farmers' crops against all non-preventable natural risks from pre-sowing to the post-harvest stage.

PMFBY aims at supporting sustainable production in the agriculture sector by :



- Providing financial support to farmers suffering crop loss/ damage arising out of unforeseen events
- Stabilising farmers' income to ensure their continuance in farming
- Encouraging farmers to adopt innovative and modern agricultural practices
- Ensuring credit-worthiness of the farmers, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting the farmers from production risks

NEW FARM LAWS

These legislations were designed primarily for the benefit of small and marginal farmers, who constitute around 85% of the total number of farmers and are the biggest sufferer of the 'regressive' APMC-regulated market regime. Farmers in India have suffered from various restrictions in marketing their produce in the past. There were restrictions for farmers in selling agri-produce outside the notified APMC market yards. The new farm laws will transfer the risk of market unpredictability from the farmer to the sponsor. It will also enable the farmer to access modern technology and better inputs. The farmers will have full power in the contract to fix a sale price of their choice for the produce. They will receive the payment within a maximum of 3 days.

NATIONAL AGRICULTURE MARKET (E-NAM)

e-NAM, is an e-marketing platform for agricultural products. This new market process is revolutionising agricultural markets by guaranteeing better price discovery. It also brings in transparency and promotes healthy competition. Thereby, enabling the underserved to move towards 'One Nation One Market' progressively. This is providing the farmers with a platform to market their produce freely.

BENEFITING THE INDIAN AGRICULTURE SPACE

Majority of the Indian population is in agriculture and allied sectors. The initiatives and focus of the Government of India to provide subsidies and electricity to farmers through pumps would assist them in reducing costs and increasing cash flows. This increase in liquidity with the farmers, on the other hand, would propel the farmers to move into technical farming. The farmers would invest in pumps and other agriculture-related equipment. Therefore resulting in the development of the Indian agriculture pumps and related sectors while propelling the Government's 'Make in India' initiative.



CONSERVING ENERGY. SERVING THE SECTOR. PRESERVING ENVIRONMENT.

The Indian solar energy industry sector has tremendous potential for growth. It is multiplying and estimated to clock in a CAGR of more than 40% during 2020-2025. Let us see how solar energy is anticipated to benefit farmers and society:

- Compared to utility-scale solar, distributed PV generation reduces the need to expand transmission capacity and doesn't require large land areas
- Replacing fleets of diesel generators in the agricultural sector would reduce emissions and air pollution. This way, it will also contribute to the Government's efforts to promote a self-reliant India by reducing reliance on costly and subsidised diesel imports
- Installation of agricultural solar pumps reduces farmers' dependency on diesel-based generators by offering them solar pumps on subsidy
- Provides energy security to farmers while also being an initiative of moving towards clean energy
- Farmers, as the biggest consumer of electricity in India, would also become the producer of green electricity under the PM KUSUM Scheme

ANOTHER STEP TOWARDS SOLARISING THE NATION

With immense pride & pleasure, Shakti has successfully installed India's first higher HP Solar project in Mizoram. Under this marquee project, the Company has installed 8 solar pump sets (4 working + 4 standby) of 75 HP, highest amongst similar projects in Mizoram at an altitude of approx. 4,000 ft. for the Sialhawk Solar pumping station project at Sialhawk village.

This is the largest and highest solar pumping station project in the entire North-Eastern Region of India. The project uses lifted water from the river to the utmost tank with a capacity of 3 Lakhs Litre in four stages. The total vertical height from riverside to hill top water tank is approx 900 meter while the total length of the pipeline used to lift the water is approx 700 meter. This project is expected to resolve the issue of drinking water for more than 4,000 people of Sialhawk Village.

Shakti is proud to be associated with a such a vital project which is a cornerstone of technology, playing a key role in development. Shakti is always keen to execute such developmental projects as they go a long way in helping with modernisation and addressing social needs. This project is historic and will provide the much-needed access to drinking water, a basic human entitlement, to the residents of Sialhawk.



GLOBAL DEVELOPMENTS IN THE SOLAR ENERGY SECTOR

“

Solar energy is already contributing around 2.8% of global electricity. If trends were to continue, by 2030, solar is expected to become the most important energy source for electricity production in large part of the world.

”

- Mr.R.K. Singh at the 3rd ISA Assembly

The global solar industry was valued at USD 50 Bn in 2019 and is predicted to grow to USD 200 Bn by 2026. From 2020 to 2026, the global solar energy market is anticipated to expand at a CAGR of 20%. The total installed solar photovoltaics (PV) power capacity in the world increased by 22% to 773.2 GW by the end of 2020, up from 635 GW in 2019. The key drivers for the expansion of the solar energy market are Government subsidies and tax rebates for solar panel installation and increased awareness of environmental degradation.

- Globe Newswire

- Global Market Outlook for Solar Power 2021-2025, Solar Power Europe





INTERNATIONAL SOLAR ALLIANCE

The International Solar Alliance (ISA) is a treaty-based intergovernmental organisation, co-founded by India and Japan to promote solar energy in 121 tropical countries. It provides a dedicated platform for solar resource-rich countries to support solar energy use. It also aims to undertake joint efforts required to reduce the cost of finance and technology, mobilise investments needed for massive deployment of solar energy, and pave the way for future technologies adapted to the needs. ISA has been positioned to help create the conditions that would make funding, developing and deploying solar applications on a large scale a reality. ISA is perceived as a critical organisation working towards achieving the 2030 Sustainable Development Goals and objectives of the Paris Agreement on Climate Change.

The membership of ISA has continued to grow since the 2nd Assembly in 2019. The ISA is now supported by 68 member countries and further 20 is in the process of becoming members. The ISA, the World Bank, and the Government of India are actively preparing the implementation plan for 'One Sun, One World, One Grid' initiative to harness the power of inter-connected grids for enabling energy transition to a low-carbon world.

ACTIVITIES, PROGRAMMES AND ROADMAP

ISA has aggregated demand for more than 2,70,000 solar pumps across 22 countries, more than 1 GW of solar rooftop across 11 countries, and more than 10 GW of solar mini-grids across 9 countries under its respective programmes. A report was presented to ISA by the World Resources Institute (WRI), which identifies the sources of funds, opportunities and constraints, in scaling up solar investments and the contribution of ISA in assisting Member countries.

India, the President ISA in the Third Assembly, mentioned various activities and programmes initiated by ISA since the 2nd Assembly. Currently, six programmes and two projects are in process to cover various aspects of solar energy. A robust pipeline of more than USD 5 Bn has been developed for solar energy applications to meet the ISA member countries' lighting, irrigation, drinking water, and productive energy requirements, which have largely been deprived of modern energy services.

The Assembly welcomed ISA's move to work with WRI for developing a roadmap for the mobilisation of USD 1 Trn by 2030. For the first time since the inception of the framework agreement of ISA, Solar awards were conferred on countries of the region and institutions working for solar.





ENVIRONMENT SOCIAL GOVERNANCE





ENVIRONMENT

Shakti me Sampannata

With sustainable ideologies running across all the verticals of the organisation, we truly walk the talk. Our green and clean ethos have always propelled us to direct our operations towards growing sustainably. Our best-in-class quality, energy-efficient pumps and solar pumping solutions have given us the accomplishments of flagbearers of eco-friendly and conscientious companies. It has also given us the larger goals of maintaining the natural habitat and flora and fauna of the planet as we progress in our mission to bring positive impact from our product offerings.

SOME OF THE INITIATIVES UNDERTAKEN DURING 2020-21:

ENERGY CONSERVATION

The Company has been relentlessly working on reducing its energy consumption over the last 5 years. The Environment Management Cell (EMC) in our organisation has been formed to make short-term and long-term policy decisions and discuss on reduction of energy consumption. Some of the actions undertaken so far include:

- Installation of 400 Kw solar plant within the premises
- Implementation of Energy Monitoring & Management System(EMS)
- Replacement of all old conventional light (CFL, mercury lamp) and plant light with energy-efficient LED light
- Replacement of induction motor with S4RM and IPSM energy-efficient motor
- Sharing awareness guidelines through circulars to increase awareness among the employees

WATER MANAGEMENT

Some of the actions taken by the Company to reduce water consumption within the premises include:

- Rain water harvesting at two places within the organisation
- 100% utilisation of collected and treated wastewater

- Regular monitoring of water consumption and requirement
- Reduction of water usage for plant operation through the implementation of appropriate measures

ENVIRONMENT PROTECTION

We have replaced disposable plastic glasses for tea with hygienic and washable glasses
Addition of clause 'The thickness of the plastic bags used for packing must be uniform and not less than 50 microns' as terms and conditions of the purchase order to be adhered by all vendors. We have also taken steps for paper conservation among employees.

MAINTAINING AIR QUALITY

Following air quality parameters have been adopted to keep a check on air quality:

- Particulate Matter (less than 10 micron)
- Particulate Matter (less than 2.5 micron)
- Sulphur Dioxide [SO₂] (24 hours Basis)
- Nitrogen Oxides [NO_x] (24 hours Basis)
- Carbon Monoxide [CO] (8 hours Basis)





SOCIAL

Shakti se Samajik Vikas

We aim to inculcate an inclusive and supportive work environment. Being socially responsible and conscious of uplifting the community and its well-being, we actively engage in our regions of operation for sustainable and economic development. For us, CSR means investing funds for social activity and integrating business processes with social processes. We believe an organisation's true worth lies beyond its business and is best reflected by the service it renders to the community and the society.

As per Section 135 of the Companies Act, 2013, which pertains to the CSR law for the companies, we have constituted a Board-level CSR Committee with Independent Directors. We have also formulated a CSR policy that clearly mentions the CSR activities as per Schedule VII of the Companies Act, 2013.

TO PURSUE OUR CSR OBJECTIVES, WE CONTINUE TO:

- 1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance to promote education, provide medical aid to the needy and downtrodden.
- 2. Collaborate with like-minded bodies like voluntary organisations, charitable trusts, Governments and academic institutes to pursue our goals.
- 3. Interact regularly with stakeholders, review and publicly report our CSR initiatives.
- 4. We continued to extend our community initiatives during 2020 and undertook additional initiatives during the outbreak of COVID-19.





GOVERNANCE

Shakti se Sahajta

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, reinforced across all levels within the Company. At Shakti Pumps, we are committed to doing things the right way. We believe in making business decisions and acting ethically while also complying with applicable legislation. Our corporate governance framework sets the principles of responsibility, accountability and transparency in course, just the way we conduct our operations.

BOARD DIVERSITY

We have an active, experienced and well-informed Board of Directors ('the Board') responsible for and committed to sound principles of corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves shareholders' and other stakeholders' short and long-term interests. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent approach.

ETHICAL BUSINESS CONDUCT

At Shakti, business ethics is of paramount importance and one of our most valued assets. To instil high levels of discipline and conduct, we are continuously working towards and implementing significant measures tuned to exhibit and integrate ethical values and behavioural norms across all

organisational levels. Furthermore, we are also strengthening the moral attitude of the organisation, management and employees to ensure that our activities and operations abide by our business culture and policies.

ACCOUNTABILITY, TRANSPARENCY AND INTERNAL CONTROL SYSTEM

Our Board is committed to transparency and the highest levels of accountability concerning disclosures and compliance through internal and/or external assurance and governance procedures. The Company's internal control framework covers financial, operational, compliance and information technology controls, and risk management policies and systems. Our robust risk management processes embedded within the business enable us to identify, evaluate, record, and monitor significant risks.



SHAKTI PUMPS INDIA LIMITED

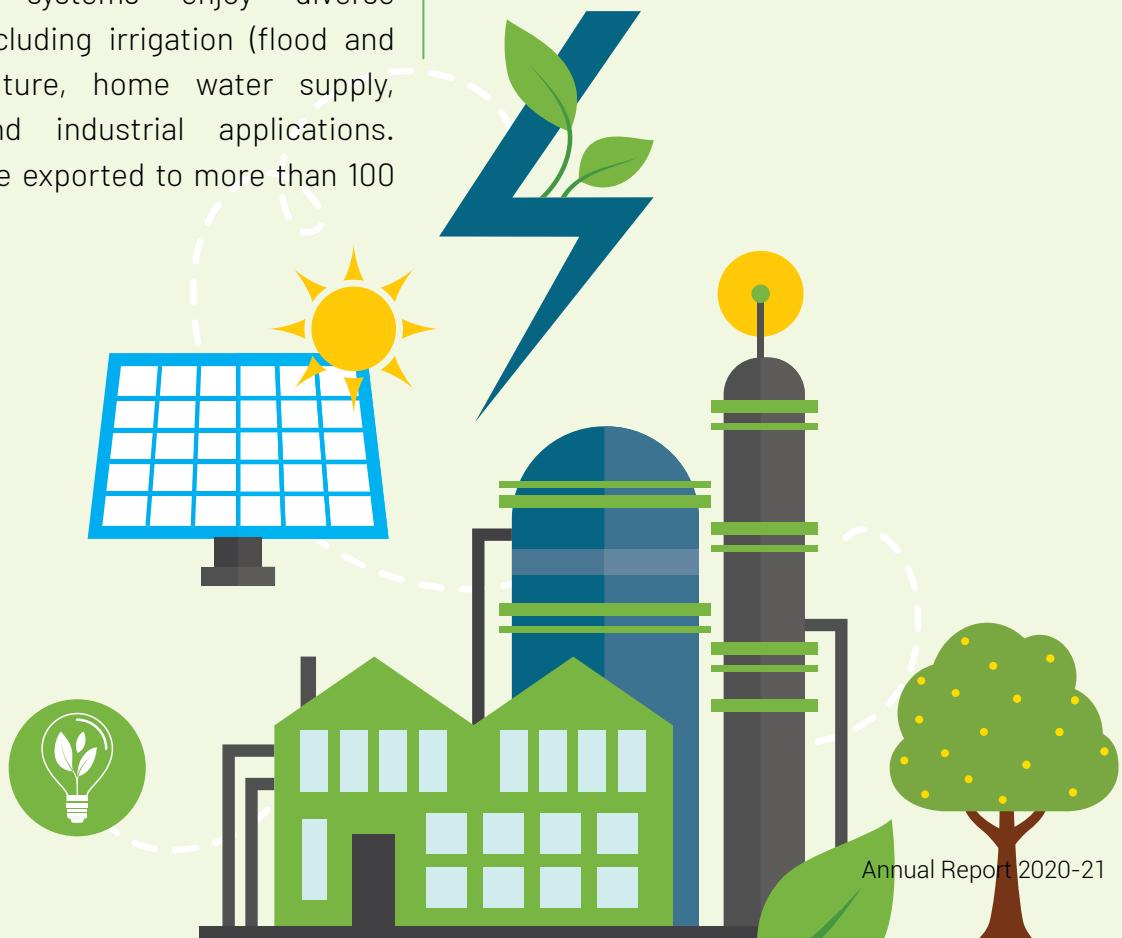
Pioneers of high quality and energy-efficient pumps and motors

HOW WE CONSERVE. SERVE. PRESERVE.

Shakti Pumps India Limited ('Shakti Pumps', or 'the Company', or 'We'), incorporated in 1982, is an established manufacturer of high-quality and energy-efficient pumps and motors. Along with our innovative solar energy solutions, we also offer an array of pumping systems and products backed by high quality and durability. Over the years, our products have helped us build a prestigious brand name and earned good respect in the national and international markets.

Our pumping systems enjoy diverse applications, including irrigation (flood and micro), horticulture, home water supply, commercial and industrial applications. Our products are exported to more than 100 nations globally.

We endeavour to provide premium-quality pumping solutions as per global benchmarks, integrating health, safety and environmental consideration in business decisions and activities. Our vision is to achieve zero accidents, zero liquid discharge and zero carbon footprint.





Corporate Overview



Statutory Reports



Financial Statements



INFRASTRUCTURE

Shakti Pumps boasts world-class and cutting-edge production facilities. Our experienced and talented workforce not only meets but significantly exceeds the industry's international standards of excellence. Located at the heart of India, at Pitampur (Madhya Pradesh), our plants at the Domestic Tariff Area (DTA) and Special Economic Zone (SEZ) can manufacture 5,00,000 pumps in aggregate.

DOMESTIC UNIT

Our domestic facility, situated in Sector III of the Pithampur Industrial Area, comprises multiple plants. These enable us to meet the needs of different product groups.

- 4" Motor Manufacturing Plant
- 6", 8" and 10" Motor Manufacturing Plant
- Submersible Pump Manufacturing Unit
- Industrial Pumps Manufacturing Unit

SEZ UNIT

Our SEZ facility at Pithampur, India, produces and exports 100% stainless steel submersible pumps globally. This unit specialises in advanced high-tech machinery. Thereby, enabling us to cater to the international quality standards and global demand.

RESEARCH AND DEVELOPMENT

At Shakti Pumps, we emphasise research and development's power and vital role in our business. Over the last few years, we have built an enthusiastic, curious and skilled in-house R&D team and cutting-edge infrastructure to support it.

Together these enable us to provide novel solutions. The products and solutions we have pioneered are regarded as global benchmarks today. This could be made possible by developing sophisticated fabrication technology and selecting the best materials and procedures. Our R&D team has developed a computerised testing facility that enables us to monitor the performance of our pumps and draw comparisons with products globally.

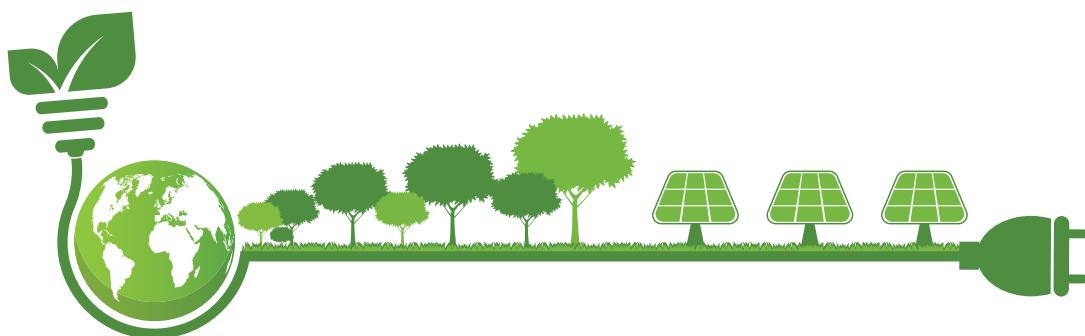
ELECTRONICS AND CONTROL DIVISION (E&C)

Using cutting-edge Japanese technology, Shakti Pumps has developed a first-of-its-kind and completely automated electronics and control division E&C division.

Apart from being positioned as an efficient pumping solutions provider, this plant sets the course for the Company to expand its offering into the Power Electronics Segment. Solar VFDs, Hybrid Inverters, Motor Starters, and other Power Electronics products are manufactured and assembled at this new facility which has a total capacity of ~2,00,000 VFDs each year. Furthermore, the Company has also collaborated with IIT Delhi and IISc Bangalore for the design and development of futuristic E&C products in India.

SHAKTI ENERGY SOLUTIONS PRIVATE LIMITED (SESPL)

SESPL, a 100% subsidiary of Shakti Pumps, is a renowned manufacturer of highly efficient solar structures. Located in Pithampur, Madhya Pradesh, SESPL has an annual capacity of 1,00,000 solar structures. Currently, the solar structure manufactured by SESPL is used for captive consumption by Shakti Pumps. However, going ahead, the Company plans to sell these for direct consumption as well.





Received the Department of Scientific and Industrial Research (DSIR) recognition for our R&D capabilities from the Ministry of Science and Technology – Government of India



Shakti Pumps (India) Limited



SERVING CLIENTS THROUGH A DIVERSE PRODUCT BASKET

PUMPS

- SUBMERSIBLE PUMPS ◦



- SOLAR PUMPS ◦



- SHS - HORIZONTAL SPLIT CASE PUMPS ◦



- WASTE WATER PUMPS ◦



- HYDROSTATIC BOOSTER SYSTEM ◦



- IMMERSIBLE PUMPS – SMTR SERIES ◦



- SINGLE SHAFT VERTICAL MULTISTAGE PUMP - RO SERIES ◦



- SIMHA UNIVERSAL DRIVE - E&C ◦



- ELITE SOFT STARTER ◦



- MONOBLOCK END SUCTION PUMPS ◦





◦ OPENWELL PUMPS ◦



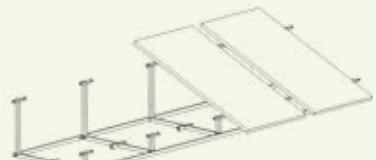
◦ PRESSURE BOOSTER PUMPS ◦



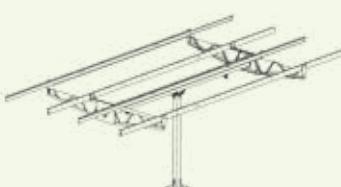
 SOLAR STRUCTURES

◦ SOLAR PUMPING SOLUTIONS
SSMT (TRACK)

◦ SSMT (TRUSS)

◦ SOLAR GROUND MOUNTING
SOLUTIONS SSMT (FIX)◦ SOLAR ROOF TOP MOUNTING
SOLUTION

◦ SSMT - CP (SHED-ROOF)

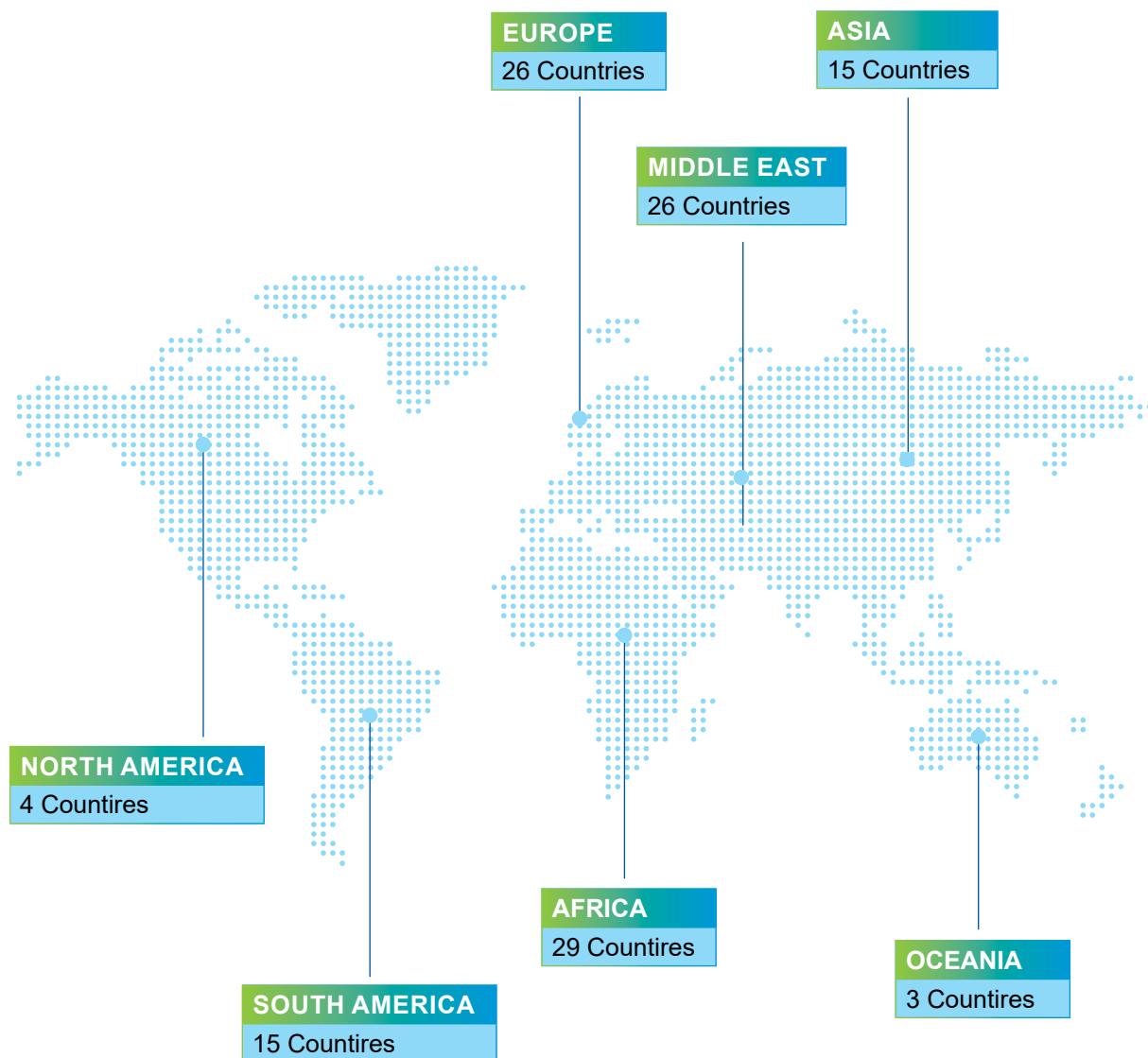


◦ SSMT - CP (BUTTER-FLY ROOF)



HOW WE SERVE THROUGH OUR GLOBAL PRESENCE

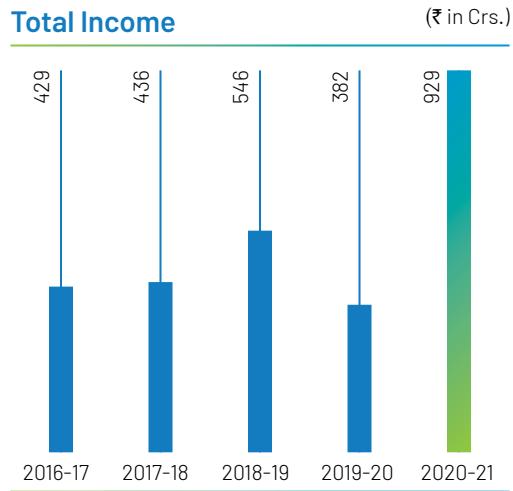
Shakti Pumps is spread across 100+ countries globally. Our high-quality energy-efficient pumps are exported to the Middle East, the USA region, Africa, Asia, Europe, and Latin America. Our clientele encompasses a diverse range of institutional clients in India and worldwide.



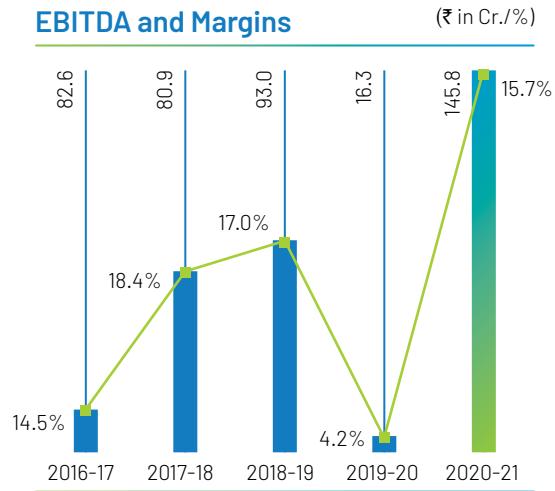


FINANCIAL HIGHLIGHTS

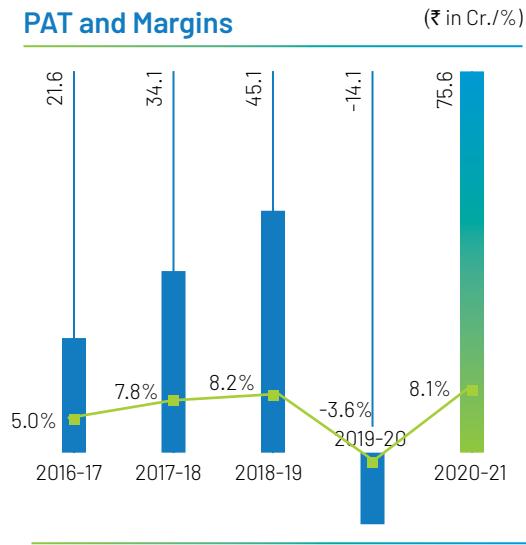
Total Income



EBITDA and Margins



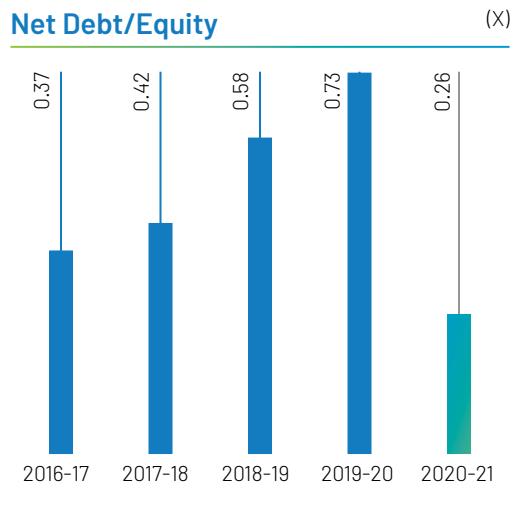
PAT and Margins



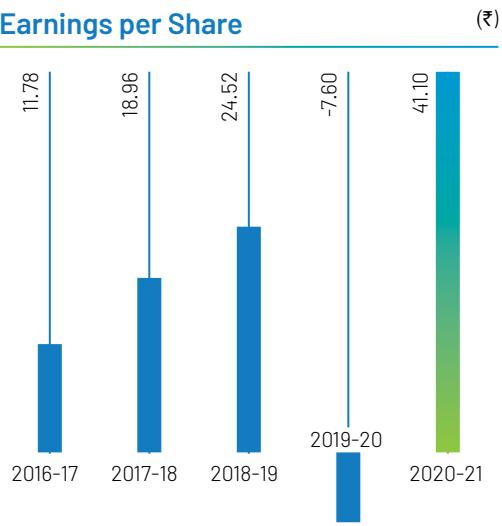
Return on Equity



Net Debt/Equity



Earnings per Share



BOARD OF DIRECTORS



Mr. Dinesh Patidar

Managing Director

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



Mr. Sunil Patidar

Executive Director

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



Mr. Ramesh Patidar

Executive Director

Mr. Ramesh Patidar is a Graduate in Business Administration with more than 15 years' experience in International business development activities, exploring and expanding new business opportunities worldwide.



Mr. Pramod Kumar Bhawsar

Independent Director

Mr. Pramod Bhawsar retired from State Bank of India as Assistant General Manager and is a well experienced, result-oriented banker with diversified experience in credit/finance. He has served Bank for 35 years at various places, handled projects in Corporate Finance, SME, Forex, Business Restructuring/CDR, and NPA Management, among others.



Mr. Navin S. Patwa

Independent Director

Mr. Navin Patwa is a Company Secretary with over 18 years' experience in Secretarial work, Company law and related matters. He has previously had the experience of working with Sam Industries as a Company Secretary & Compliance Officer.



Dr. Keyur Bipinchandra Thaker

Independent Director

Dr. Keyur Thaker is a Professor, Finance and Accounting, at Indian Institute of Management, Indore. He has an MBA in Finance and a PhD in Management. He has over 22 years of experience in consulting, academics, executive education, and research. Previously, he has offered services to ACC, POMC, IPCL, ICICI Bank, Bell Ceramics, L&T, GPEC, HBS, HDFC Standard Life and others.



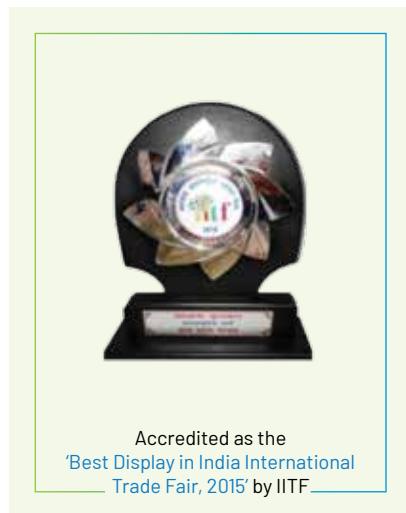
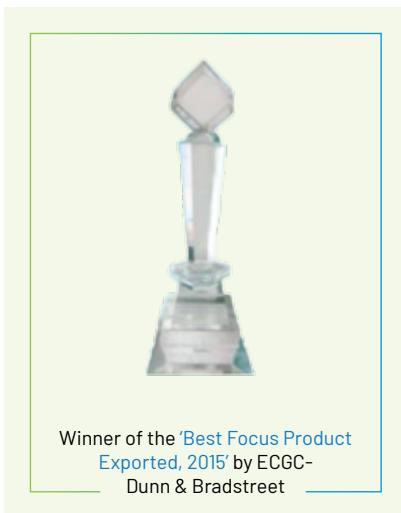
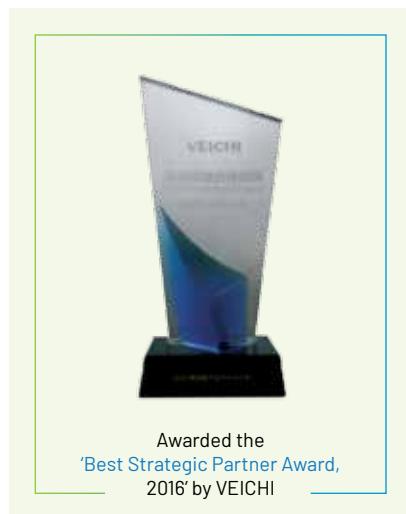
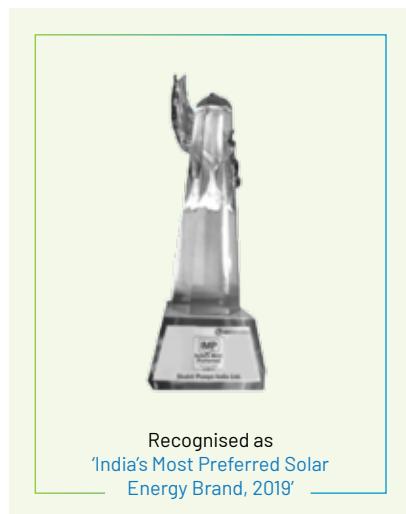
Mrs. Nishtha Neema

Independent Director

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



AWARDS & RECOGNITION



CORPORATE INFORMATION

Board of Directors

Mr. Dinesh Patidar

Managing Director

Mr. Sunil Patidar

Whole-Time Director

Mr. Ramesh Patidar

Whole-Time Director

Mr. Navin Sunderlal Patwa

Independent Director

Mr. Pramod Kumar Bhawsar

Independent Director

Mrs. Nishtha Neema

Woman Independent Director

Dr. Keyur Bipinchandra Thaker

Independent Director

Company Secretary & Compliance Officer

Mr. Ravi Patidar

Chief Financial Officer

Mr. Dinesh Patel

Statutory Auditor

M/s PGS & Associates, Mumbai

Secretarial Auditor

M/s. M. Maheshwari & Associates, Indore

Cost Auditor

M/s. M.P. Turakhia & Associates

Indore

Bankers

Axis Bank

HDFC Bank

ICICI Bank

Union Bank of India

Federal Bank

Registrar and Transfer Agent

Adroit Corporate Services Pvt. Ltd.

17-20, Jafferbhoy Ind. Estate

1st Floor, Makwana Road

Marol Naka, Andheri (E), Mumbai 400059

Tel no.: +91(0) 22 42270400

Email: sandeeps@adroitcorporate.com

Registered Address Office & Work

Plot no. 401, 402 & 413 Sector III

Industrial Area Pithampur, Dist. Dhar

Madhya Pradesh-454774

Tel. no.: +91- 7292-410500

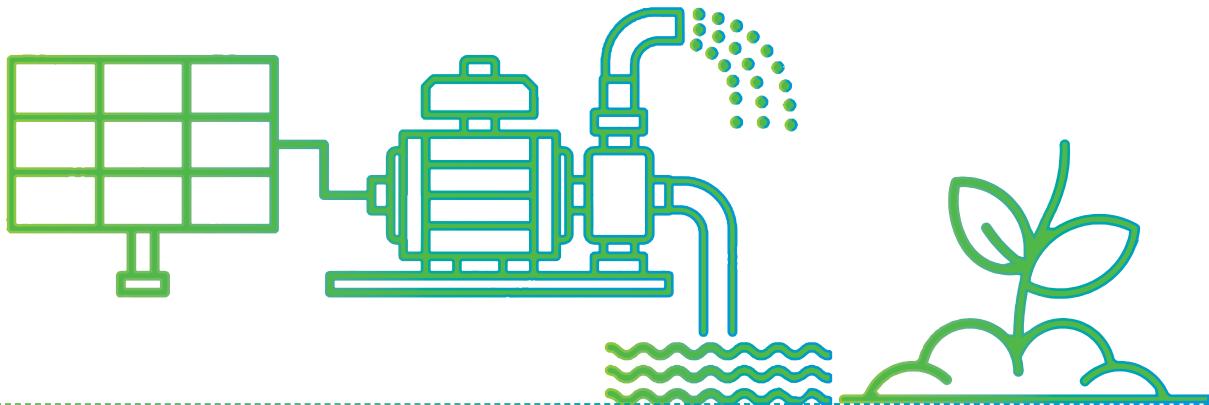
Fax no.: +91-7292-410645

Email: cs@shaktipumpsindia.com

Web: www.shaktipumps.com



MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

2020-21 can be metamorphically called a year of renaissance, bringing an overnight revolution across the globe. Unprecedented and undeniably catastrophic, the Coronavirus was the harbinger of major upheaval in the economic landscape and social lifestyle globally. Given the impact of COVID-19, 2020-21 observed a decline in GDP growth for the biggest economies of the world.

However, in the hindsight of all the disturbances, 2020-21 can also be described as the year of transition, demarcating two COVID-oriented eras, with 2019 marking the 'Before Coronavirus' patch, and starting with 2020, the 'After Coronavirus' era is here to stay. Although the global economy was already under pressure due to the pre-pandemic slump, the lingering uncertainties and business halt further exacerbated the apathy.

The dismal performance of 2020-21 led to a contracting GDP across nations. As an aftermath of phased lockdowns, the global GDP deflated by ~3.3% in CY (Calendar Year) 2020-

WORLD REAL GDP GROWTH (%)



E: Expected. P: Projected.

(Source: *World Economic Outlook, April 2021*)



21. However, Governments across the globe were able to contain a full-fledged economic decline by tickling down financial stimulus and favourable sector-wise policies. Government support in the form of liquidity infusion, interest rate abatements, and stimulus packages has slowly but steadily brought the economy back to positive numbers with strong recovery.

Among major economies, the US is projected to grow at 6.8% in 2021, based on the large-scale fiscal support from the Senate and the shortened pandemic restrictions. Growth in other advanced economies is also firming, but to a lesser extent. Among emerging economies, China is anticipated to rebound to 8.5%, reflecting the release of upheld demand.

Emerging markets and developing economies, as a group, forecast a 6% expansion this year, supported by higher demand and resumption of economic activities. However, the recovery in many countries is being held back due to resurging COVID-19 cases and lagging vaccination progress, as well as the withdrawal of policy support in some instances. Excluding China, the rebound in this group of countries is anticipated to be at a more modest 4.4%. The recovery among emerging market and developing economies is forecast to moderate to 4.7% in 2022.

The actual impact of COVID-19 is not quantifiable only in terms of GDP, but also in terms of opportunity cost of new projects being undertaken and completion of ongoing projects and market development.



INDIAN ECONOMY OVERVIEW

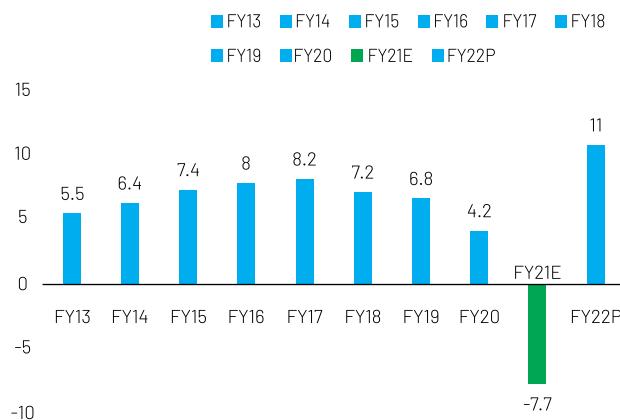
COVID-19 pandemic had similar inflictions on the Indian economy, bringing business activities to a standstill for a major part of the previous year, particularly April and May. In Q1 of 2020-21, India's real GDP contracted by a massive 24.4%. In Q2 of 2020-21, the GDP continued ascension by 7.3%.

However, thankfully, India began to witness early signs of economic recovery with business revival in the second half of the year. High frequency indicators suggested that the economy was on the path of positive growth and a v-shaped recovery. A host of reasons were at play: Favourable monetary policies from the Reserve Bank of India, the Central Government's relief packages, coupled with reopening of the economic activities from June 2020. The Q3 of 2020-21 recorded a GDP growth of 0.4%. With mass vaccination and heightened momentum, the Indian economy regained its robust and adaptable recalibration. In line with the above expectations, the GDP growth for Q4 of 2020-21 stood at 1.6%, continuing the positive sentiment. With strong prospects of growth in consumption and investments, the GDP is estimated to grow at 11% in FY 2021-22

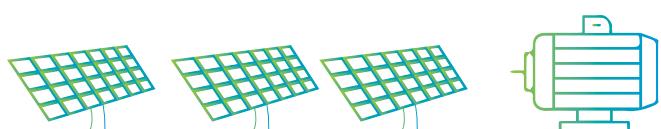
(Source: Economic Survey 2020-21).

The macro-economic outlook remains uncertain as the virus, via its multi-stage waves, continues to hit back. However, a mass adaptation of the 'New Normal' will provide the economy a much-needed continuum.

INDIAN ECONOMIC GROWTH OUTPUT (%)



(Source: Economic Survey 2020-21)





INDIAN GOVERNMENT INITIATIVES AND OPPORTUNITIES

India, being an agrarian country, has a majority of its population reliant on agriculture for their livelihood. Government schemes play a major role in the welfare of the agrarian economy. Central and state governments have been initiating different schemes continually for the enhancement of the Agri sector. As a part of doubling the farmers income in India the Government has launched several schemes like PM Kisan Scheme, PM Jan Dhan Yojna, Fasal Bima Yojana, PM-KUSUM, increased MSP & new farm laws. Apart from the Central Government, the State Governments are also aggressively moving forward to support farmers. Government of Telangana as has launched the Rythu Bandhu scheme, also known as the Farmer's Investment Support Scheme, is a welfare programme aimed to provide financial aid to the farmers of Telangana.

PM-KISAN SCHEME

Pradhan Mantri Kisan Samman Nidhi Yojana is an initiative by the Government of India, wherein 120 Mn small and marginal farmers of India with less than two hectares of landholding will get up to ₹ 6,000 per year as a minimum income support. PM-Kisan scheme has been operational since 1st December, 2018.

PM-KUSUM SCHEME

Ministry of New and Renewable Energy, Government of India, vide its Office Memorandum dated 8th day of March, 2019 launched a New Scheme for farmers called as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan Scheme (PM KUSUM) aims to facilitate energy access to farmers in India. This is in line with the nation's commitment to increase the share of renewable power generation to 40% by 2030-31, as part of Intended Nationally Determined Contributions (INDCs). The Scheme has following components:



i) Component-A: Setting up of 10,000 MW of Decentralised Ground/Stilt Mounted Grid Connected Solar or other Renewable Energy based Power Plants

ii) Component-B: Installation of 20 Lakhs Standalone Solar Agriculture Pumps and

iii) Component-C: Solarisation of 15 Lakhs Grid Connected Agriculture Pumps

The scheme through all its components aims to add solar and other renewable capacities of 25,750 MW by 2022-23 with total central financial support of ₹ 34,422 Cr.

Under Component A, solar or other renewable energy based power plants (REPP) of capacity 500 kW to 2 MW will be setup by individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organisations (FPO)/ Water User associations (WUA), etc. The renewable power generated will be purchased by DISCOMs at a pre-fixed tariff. It would help with income generation for rural landowners over a period of 25 years by utilising dry or uncultivable land. If their cultivable fields are chosen for solar power projects, the farmers can continue growing crops too as the solar panels are to be set over a minimum height.

The scheme would ensure that sufficient solar/ renewable energy-based power is available for rural load centres and agriculture pump-set loads, which require power mostly during the day time. These solar plants will be located closer to the agriculture loads or to electrical sub-stations in a decentralised manner, which could help reduce transmission losses for STUs and Discoms (Distribution Companies).

Under Component B individual farmers particularly small and marginal farmers would be supported by Government to install standalone Solar Agriculture pumps of capacity up to 7.5 HP in place of existing diesel agriculture pumps where grid supply is not available.

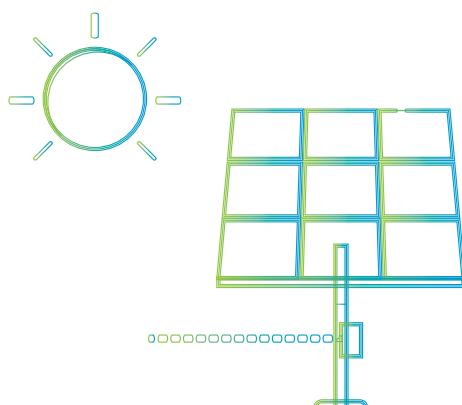
Installation of 17.5 Lakhs standalone solar agriculture pumping systems will create solar PV Capacity of over 8,000 MW.

The solar pumps will save the expenditure incurred on diesel pumps and provide the farmers with a reliable source of irrigation through solar pumps, apart from preventing the harmful pollution that diesel machines bring.

Under Component C individual farmers having grid connected agriculture pumps will be supported to solarize pumps. Solar PV Capacity up to two times of pump capacity in Kw is allowed under the scheme. This component will be applicable to farmers already connected to grid. Over 20 million grid-connected agriculture water pumps installed in the country consume more than 17 percent of total annual electricity consumption of the country. Solarisation of the same can reduce dependence of these pumps on conventional sources of energy supplied by DISCOMs and thus reducing their burden of subsidy on agriculture consumption of electricity. This will also provide additional source of income to farmers who will be in a position to sell the surplus power to DISCOMs.

NATIONAL AGRICULTURE MARKET (E-NAM)

E-NAM, as the name suggests, is an e-marketing platform for agricultural products. This new market process is revolutionising agricultural markets by guaranteeing better price discovery. It also brings in transparency and promotes healthy competition, thereby enabling the underserved to progressively move towards 'One Nation One Market'.





INTERNATIONAL SOLAR ALLIANCE

With the signatories of 75 countries, ISA was formed as an inter-governmental organisation to oversee and promote the multi-fold benefits of clean energy and specifically, the applications of solar power. The organisation works towards a common goal of meeting energy demands sustainably.

The ISA plays the four-fold role of being an accelerator, enabler, incubator, and facilitator in establishing a global solar market.

As an accelerator, ISA aggregates demand after assessing risks, which facilitates a low-cost market for members, addresses the impediments, if any, and through various initiatives, it dilutes the solar investment risks.

As an enabler, it helps the member nations in sourcing funds and needed technology, and encourages ideas and technological advances throughout members.

As an incubator, it facilitates investment risk mitigation for solar power generation projects in solar-rich countries and also works towards reducing the cost of finance for developing renewable energy projects.

As a facilitator, ISA helps in fostering a favorable ecosystem for solar energy projects, workshops, and forums for member countries and helps in capacity building.

In the 3rd ISA Assembly, in order to meet the energy requirement s of member countries deprived of modern energy services, the ISA president announced a robust pipeline of USD 5 billion developed for solar energy applications to meet lighting, irrigation, drinking water and productive energy requirement of the ISA member countries, ISA has aggregated a demand for more than 270,000 solar pumps across 22 countries, more than 1GW of Solar Rooftop across 11 countries, and more than 10GW of Solar Mini-grids across 9 countries.

A report was presented by World Resources Institute (WRI) to the ISA Assembly laying out the sources of funds, opportunities and constraints in order to scale up investments and contributions to member countries. WRI and ISA collectively would work to develop a roadmap for mobilisation of USD 1 Trillion by 2030.



ENVIRONMENT, SOCIAL AND GOVERNANCE AT SHAKTI PUMPS

At Shakti Pumps, biodiversity and ecosystem preservation is a matter of strategic importance. The Company business model aims at enhancing long-term sustainability goals.

ENVIRONMENT AND ENERGY EFFICIENCY

With commitment to sustainable energy goals and climate change mitigation efforts, the Company diversified into solar energy operated pumps and rooftop products and have a cumulative installed capacity of over 200MW which itself manifest its commitments to green energy initiatives.

The Company ensures sustainable use of resources and invests in sustainable technologies to reduce environmental footprint. It continuously work towards optimum utilisation of and minimum wastage of resources in operations.

To ensure optimum energy performance, the Company monitors and targets lower energy usage and utilization of energy efficient equipment in place of old and obsolete.

Shakti pumps manufactures Energy efficient environment friendly pumps and motors that consumes less energy. These initiatives not only enhance cost-efficiency but, also helps us to ensure energy efficiency across operations. Shakti pumps also into solar pumping & solar roof top solutions which are renewable energy products.

AIR AND WATER CONSERVATION

In order to address the growing concern of air pollution and resultant climatic changes, the Company has proactively taken measures to monitor emission levels to ensure emission reduction across the facilities.

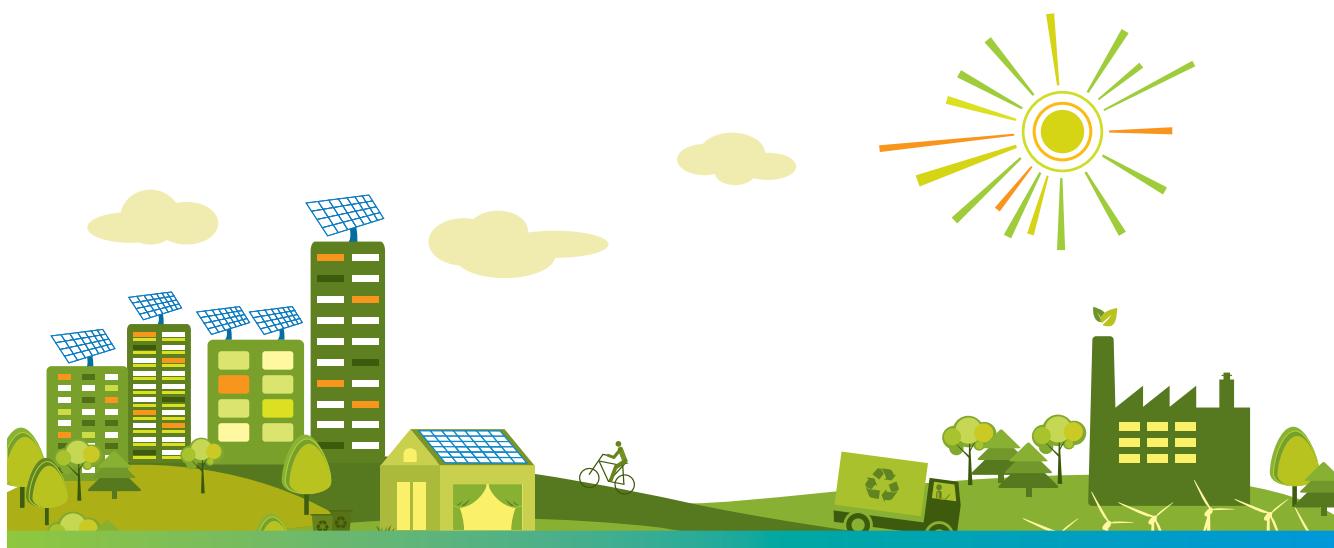
The Company encourages efficient utilization of water. It strives to reduce, reuse, and recycle water within our facilities. It stringently monitors and undertake initiatives to reduce water consumption.

SOCIAL

Shakti Pumps the needs of the stakeholders is integrated in product offerings and service. It has integrated management system policy that is committed to achieve total customer satisfaction by delivering high quality pumps at most competitive price and provides timely supply and after services. The Company firmly believes in working in tandem with the expectations and needs of its stakeholders, whether the small and marginalised farmers who are the end users of the energy efficient pumps manufactured n=by the Company, the communities where it operates or the government. The Company is always cognizant of the needs of its various stakeholders and ensures safety, sustainability and reliability of its operations and that of its stakeholders.

GOVERNANCE

The Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure that highest ethical and responsible standards are being practiced by the Company. It recognises that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders for effective implementation of the Corporate Governance practices. The Company's Board of Directors and management committee is responsible for ensuring best corporate governance is in place throughout the functioning of the organisation.



GLOBAL PUMPS MARKET OVERVIEW AND OPPORTUNITIES

The pumps' market size is slated to exceed USD84.2Bn by 2027-28. It is expected that industrial activities would increase rapidly over the next decade, owing to the rising population and economic development. Leading industrial sectors: Oil & gas, mining, general industries, and water & wastewater treatment, are considerably driving pump demand across the globe.

The rising adoption of industrial pumps in the aforementioned spaces can, very well, impact market growth positively. Industrial pumps are manufactured in numerous sizes, shapes, and capacities. They are also extensively used in the power industry in various processes, including circulation, boiler feed, and sludge handling. The growth of the chemical industry is also expected to have a positive impact on product demand.

Solar pumps run on the power generated by photovoltaic panels or the radiated thermal energy from the collected sunlight. This rules out conventional sources, which lead to grid strain or pollution. The operation of solar pumps is low budget and has much lesser environmental effect than pumps powered by diesel or petrol with the aid of an internal combustion engine (ICE). Solar pumps are beneficial where grid energy is unavailable and alternative resources (particularly wind) do not provide sufficient electricity.

In developing nations, the agricultural sector offers a great opportunity for the growth of the solar water pump market. In rural areas, wherein farmers struggle to meet gas prices or to handle electric grid projects, a preference for environmentally-friendly projects might be of help. Solar pump market exhibits lucrative opportunity. The maximum use of solar pump has been witnessed in India, Africa and the middle east. In these nations, solar pumps are widely used for irrigation and water management.

By way of product category, the submersible pumps market has shown great demand uptick. This is majorly attributed to a surge in use of submersible solar pumps for water extraction from bores, irrigation systems, drip & sprinkler systems, and pressure boosting applications.

INDIAN PUMP MARKET AND OPPORTUNITIES

Given rapid urbanisation and growth in agricultural sector, the Indian pump industry has gone through transformational changes in the last few years. The emergence and popularisation of solar pumps by the Indian Government, coupled with depletion of ground water in many drought-stricken areas, has led to faster innovation in the field of pumps.

India is the second-most populated country in the world that houses 18% of the world population, but only has access to 4% of the world's freshwater reserves. With the limited water supply at hand and depleting resources, demand will only outpace availability, going forward. To overcome this issue and ensure continuous availability of water, regular research and measures are to be undertaken to improve water use by various end-users. Indian Government schemes like Pradhan Mantri Krishi Sinchayee Yojana, the Accelerated Irrigation Benefits Programme, and the Bharat Nirman programme, all the more add to the future prospects of better water utilisation and investment in this sector. Such schemes, along with new irrigation techniques like drip irrigation, signal a strong growth potential for the pumps' industry in the future.

The demand for pumps is expected to grow exponentially due to the increased application of pumps in several end-user sectors. As for the end-user industry, the solar pump market trends were studied across different work fields, and the agriculture segment was the highest contributor to the market. The rapid modernisation of agriculture and gradual push towards sustainable sources of energy has made sure that the demand for solar pumps in the future will be ever-growing. The several Government initiatives of the likes of Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan Yojana (PM-KUSUM), CPSU (Government Producers) Scheme - Phase II and Solar Rooftop Phase II programme facilitate improvement of power generation and solar inclusion throughout the country.

Pump manufacturers in India have majorly focused on agriculture and construction service sectors till now. However, the increasing oil demand and expanded investments in water and wastewater treatment activities are likely to affect the pump market substantially, going forward. The market contributes significantly to the country's GDP as these devices play a major role in the agriculture and infrastructure sector.

THE FOLLOWING FACTORS ARE LIKELY TO CONTRIBUTE TO THE GROWTH OF THE PUMP MARKET IN INDIA:

- DEMAND FOR ENERGY-EFFICIENT PUMPS
- DEMAND FOR SOLAR PUMPS
- INCREASED EXPORT OF PUMPS
- GROWTH IN THE AGRICULTURAL SECTOR
- URBANISATION

SOLAR PUMP INDUSTRY

The solar water pumping systems' market in India has recorded a substantial growth in the last few years and is estimated to return a Compound Annual Growth Rate (CAGR) of more than 27% from 2018 to 2024. Factors such as stringent Government regulations to reduce carbon footprints and use of solar energy in pumps, which also cuts down the operating costs, are expected to drive the market during the forecast period. Moreover, solar water pumps are very beneficial in remote locations, where supply of electricity is inadequate or conventional fuel, needed to power water pumps, is not available.

Irrigation is a major application area for solar pumps in India. This makes India a land of huge market opportunity for solar pumps. The Government of India had set ambitious targets for expanding the country's renewable energy generating capacity in 2010 with the Jawaharlal Nehru National (JNN) Solar Mission.

In 2014, as part of this mission, the Ministry of New and Renewable Energy (MNRE), India, outlined the Solar Pumping Programme for irrigation and drinking water, which sought to promote the scaled adoption of solar pumps over five years. Given the government support, the submersible pumps' market in India is expected to provide ample opportunity for pump manufacturers in this area.

The National Solar Mission of India, also an initiative by the Government of India to promote solar energy, has set a target of achieving 100 GW of solar power by the year 2022.

19 times increased solar pump installation between 2014-19 | 2.25 Lakhs versus 11,626 from 2014.

SEGMENTAL OVERVIEW AND PERFORMANCE

THE COMPANY HAS BROADLY 4 BUSINESS SEGMENTS:

1. SOLAR EPC
2. Solar OEM
3. Exports
4. Domestic and Industrials

ON A SEGMENT-WISE PERFORMANCE NOTE:

In the 2020-21, the Company posted a robust performance with a sale of ₹ 925 Cr., almost two and half times the revenue in 2019-20.

The major contribution in the revenue mix was from the Solar EPC project with sales worth ₹ 542 Cr., over four times that in the previous year. In Solar Agri, sales have increased from ₹ 18 Crs to ₹ 34 Cr. In OEM Sales, the solar pumps' niche grew from ₹ 46 Cr in 2019-20 to ₹ 86 Cr. Domestic and Export sales of the Company also increased substantially from ₹ 65 Cr. and ₹ 128 Cr. to ₹ 83 Cr. and ₹ 180 Cr. respectively.





COMPANY OVERVIEW

Shakti Pumps is a pioneer in manufacturing superior quality energy-efficient pumps and motors. Its recent embarkment into solar pumps has rendered the Company an honourable and prestigious position in the national as well as international market.

The Company started with stainless-steel submersible pumps and motors and gained a leadership repertoire in the segment over 3 hard-working decades. However, not settling at that, Shakti Pumps has steadily ventured into manufacturing solar energy pumps, Variable Frequency Drives (VFDs) and rooftop products, with a cumulative installed capacity of over 200MW delivering on the Company's promise to become a green-friendly organisation.

Leveraging its engineering and R&D excellence, the Company has meticulously expanded to become a self-

sufficient provider, offering complete pumping solutions manufactured in-house. From stainless steel pumps to solar pumps and, thereafter, synthesising the sub-products, the Company has created a one-stop shop. The Company also forayed into a separate unit of power electronics in collaboration with Japan to indigenously manufacture solar controllers/inverters. With in-house manufacturing available for solar converters /inverters, energy-efficient pumps and motors, the Company has a complete hold on solar pumping solution projects.

With steady progress in power electronics and Solar system efficiencies, the Company offers an integrated system that can handle an array of domestic and agriculture applications. Besides, the Company has been an active player in the global water pumps' sector with a rich experience and engagements with clientele and vendors across 100 countries.

Shakti's export oriented unit in Pithampur SEZ



FINANCIAL REVIEW

PROFIT AND LOSS ACCOUNT ANALYSIS

GROSS REVENUES

Gross revenues increased by 142% to ₹ 92,966 Lakhs in 2020-21, compared to ₹ 38,282 Lakhs reported in 2019-20.

OPERATING PROFIT

Operating profit (EBITDA) increased by almost seven times amounting to ₹ 14,582 Lakhs in during 2020-21 from ₹ 1,634 Lakhs in 2019-20.

DEPRECIATION

Depreciation for the year under review stood at ₹ 1,836 Lakhs, compared to ₹ 1,720 Lakhs recorded in the previous year, up by 7% on a Y-o-Y basis.

FINANCE COSTS

Finance costs for the year under review decreased by 22% from ₹ 2,079 Lakhs in 2019-20 to ₹ 1,621 Lakhs in 2020-21.

NET PROFIT/LOSS

Net loss for the year under review stood at ₹ 7,558 Lakhs compared to a loss of ₹ 1,408 Lakhs in the previous year.

BALANCE SHEET ANALYSIS

Net worth: The Company's net worth stood at ₹ 34,060 Lakhs as on March 31, 2021, increasing by 28%, compared to ₹ 26,515 Lakhs from March 31, 2020. The net worth comprised paid-up equity share capital amounting to ₹ 1,838 Lakhs as on March 31, 2020 (1,83,80,156 equity shares of ₹ 10 each fully paid up). The Company's reserves and surplus stood at ₹ 32,223 Lakhs.

FINANCIAL HIGHLIGHTS IN ₹ LAKHS

| Particulars | 2019-20 | 2020-21 | Y-o-Y growth |
|------------------------------|---------|---------|--------------|
| Revenue from Operations | 38,282 | 92,966 | 142% |
| EBITDA | 1,634 | 14,582 | 743% |
| Profit after Tax | -1,408 | 7,558 | L to P |
| Basic Earnings per Share (') | -7.6 | 41.1 | L to P |

L to P: Loss to Profit

KEY FINANCIAL RATIOS

(Change of 25% or more as compared to the immediate previous financial year in key financial ratios, along with detailed explanations)

| Types of Ratio | Explanation of Ratios | 2020-21 | 2019-20 | % Change |
|---------------------------------|--|---------|---------|----------|
| Interest Coverage Ratio (Times) | The Interest Coverage Ratio is a debt and profitability ratio, used to determine how easily a company can pay interest on its outstanding debt. | 7.86 | -0.04 | L to P |
| Current Ratio (Times) | The Current Ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or dues impending within one year, calculated by dividing the current assets by current liabilities. | 1.71 | 1.53 | 12% |
| Debt Equity Ratio (Times) | The Debt Equity Ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a company's total borrowings (i.e. long-term debt, short-term debt, and current maturities of long-term debt) by its shareholders' equities. | 0.28 | 0.73 | -62% |

| Types of Ratio | Explanation of Ratios | 2020-21 | 2019-20 | % Change |
|----------------------------|--|----------------|----------------|-----------------|
| Debtors' Turnover(Days) | Debtors' Turnover Ratio is an accounting measure used to determine how effective a company is in extending credit as well as collecting debts. | 3.51 | 2.42 | 45% |
| Operating Profit Margin(%) | Operating Profit Margin is the profitability ratio, which is used to determine the percentage of the profit that a company generates from its operations, before deducting the taxes and the interest. | 15.69% | 4.42 | 255% |
| Net Profit Margin(%) | Net Profit Margin is the percentage of revenue left after all expenses have been deducted from sales. | 8.10 | 3.64% | Loss to Profit |
| Return on Net Worth(%) | Return on Net Worth (RoNW) is a measure of a company's profits in percentage. It is calculated by dividing total comprehensive income for the year by average net worth for the year. | 22.19 | -5.31% | Loss to Profit |
| EPS(₹) | Earnings per Share is the amount of profit distributed to equity shareholders after deducting all taxes, expenses, and dividends for preference shareholders | 41.12 | -7.66 | Loss to Profit |

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCES

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

development are the strong pillars, holding the Company's positioning as a desirable workplace.

OUTLOOK

Due to the increased application of pumps in several end-user sectors, the industry expects higher demand. The expanded investments in water & wastewater treatment activities alongside increasing oil demand is likely to affect the pump market substantially. The market contributes significantly to the country's GDP as these devices play a major role in the agriculture and infrastructure sector.

CAUTIONARY STATEMENT

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



NOTICE

Notice is hereby given that the 26th Annual General Meeting (AGM) of the Members of Shakti Pumps (India) Limited will be held through video conferencing ("V.C./other Audio Visual means)" "OAVM" on 29th September, 2021, Wednesday, at 12:30 P.M. to transact the following Business: -

ORDINARY BUSINESS: -

1. To receive, consider and adopt: -
 - a). the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon: and
 - b). the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Report of the Auditors thereon.
2. To declare a Dividend on Equity Shares of ₹ 8.00/- Per Equity Share of ₹ 10/- each (i.e. 80%) of the Company for the Financial Year ended 31st March, 2021.
3. To appoint a Director in place of **Mr. Sunil Manoharlal Patidar (DIN: 02561763)**, who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To Re-appoint M/s. PGS & Associates as Statutory Auditor of the Company for further period 3 Years.

"RESOLVED THAT pursuant to the provisions of Section 139 read with The Companies [Audit and Auditors] Rules, 2014 and other applicable provisions [including any modification or re-enactment thereof] if any, of the Companies Act, 2013, M/s PGS & Associates., Chartered Accountants Mumbai Firm Registration No.: 122384W be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for the term of three years beginning from the conclusion of the 26th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company.

SPECIAL BUSINESS: -

5. Ratification of Remuneration payable to Cost Auditor: -

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

Ratification of Remuneration payable to **M/s. M. P. Turakhia & Associates, Cost Accountants** (Firm

Registration No. 000417) appointed as Cost Auditor of the Company for the year 2021-22.

"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 Financial Year 2021-22, be paid a remuneration of ₹55,000/- per annum plus applicable Goods & Services Tax and out of pocket expenses that may be incurred."

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

6. Re-appointment of **Mr. Dinesh Patidar (DIN: 00549552)** as Managing Director.

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

Re-appointment of **Mr. Dinesh Patidar (DIN: 00549552)** as Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 1st September, 2021 till 31st August, 2024 (Both days Inclusive).

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 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] and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to other sanctions/approvals as may be necessary, consent and/or approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh Patidar (DIN:00549552) as Key Managerial Personnel and designated as Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1st September, 2021 till 31st August, 2024, (both days inclusive)and to his remuneration by way of salary, commission, perquisites and/or allowances, as Managing Director of the Company as approved and recommended by the Nomination and Remuneration Committee and

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Audit Committee upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Dinesh Patidar of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 26th Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Dinesh Patidar as, Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Dinesh Patidar, provided, however, that the remuneration payable from time to time within the provisions of the Act, rules thereto and Schedule V of the Act, or any amendment thereto or any re-enactment thereof."

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

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution."

7. Re-appointment of **Mr. Ramesh Patidar (DIN: 00931437)** as the Whole-Time Director

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

Re-appointment of Mr. Ramesh Patidar (DIN: 00931437) as the Whole-Time Director of the Company for a period of 5 (Five) consecutive years, commencing from 17th October, 2021 till 16th October, 2026 (Both Days Inclusive).

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Patidar (DIN:-00931437) as Key Managerial Personnel and designated as Whole Time Director of the Company for a further period of 5 (Five) consecutive years, commencing from 17th October, 2021 till 16th October, 2026, (both days inclusive) liable to retire by rotation and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as Whole Time Director of the Company as recommended by the Nomination and Remuneration Committee Audit Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Ramesh Patidar of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 26th Annual General Meeting of the Company (a draft, whereof is placed before the Meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Ramesh Patidar as the Whole-Time Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Ramesh Patidar, provided, however, that the remuneration payable to Mr. Ramesh Patidar, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule V to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Ramesh 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



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said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Mr. Ramesh Patidar, the Whole Time Director of the Company subject to necessary approval(s) as may be required."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution."

8. Re-Appointment of **Mr. Sunil Manoharlal Patidar (DIN:- 02561763)** as the Whole Time Director.

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

Re-appointment of Mr. Sunil Manoharlal Patidar (DIN:- 02561763) as the Whole Time Director of the Company for a period of 5 (Five) consecutive years, commencing from 29th January, 2021 till 28th January, 2026.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Sunil Manoharlal Patidar (DIN:02561763) as Key Managerial Personnel and designated as Whole Time Director of the Company for a further period of 5 (Five) consecutive years, commencing from 29th January, 2021 till 28th January, 2026, (both days inclusive) liable to retire by rotation and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as Whole Time Director of the Company as recommended by the Nomination and Remuneration Committee and Audit Committee upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Sunil Manoharlal Patidar of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Sunil Manoharlal Patidar as the Whole Time Director of the Company and/or remuneration payable to him and/

or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Sunil Manoharlal Patidar, provided, however, that the remuneration payable to Mr. Sunil Manoharlal Patidar, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule V to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Sunil Manoharlal 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 to by the Board of Directors of the Company and acceptable to Mr. Sunil Manoharlal Patidar, the Whole Time Director of the Company subject to necessary approval(s) as may be required."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution."

9. To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding ₹1000 Crs.

To consider and if thought fit to pass the following resolution with or without modification as a **Special Resolution**:

"RESOLVED THAT in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the relevant regulations/directions as may be prescribed by the bankers from time to time (including any amendment(s), modification(s) thereof) and the Articles of Association of the Company, and further subject to approval of the shareholders of the Company at their duly convened and conducted meeting, consent of Board of be and is hereby accorded to borrow by obtaining loans, overdraft facilities, lines of

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credit, commercial papers, non-convertible debentures, external commercial borrowings (loans/bonds), INR denominated offshore bonds or in any other forms from Banks, Financial Institutions, Insurance Companies, Mutual Funds or other Corporates or the eligible investors, including by way of availing credit limits through Non-Fund based limits i.e. Bank Guarantee, Letter of Credit, etc. or by any other means as deemed fit by it, against the security of term deposits, movables, immovable or such other assets as may be required or as unsecured, at any time or from time to time, any sum or sums of money(ies) which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of paid-up share capital of the Company, its free reserves and Securities Premium, provided that the total amount so borrowed by the Board shall not at any time exceed ₹1000 Crs (Rupees One Thousand Crs only).

RESOLVED FURTHER THAT the Board of Directors or such person/s or such committee (by whatever name called), as may be authorised by the Board in this regards, be and are hereby authorised to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all other acts, deeds, matters and things as may be deemed necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

10. To approve the power to create charge on the assets of the company to secure borrowings up to ₹ 1,000 Crs pursuant to section 180(1)(a) of the Companies Act, 2013. To consider and if thought fit to pass the following resolution with or without modification as a

Special Resolution:

"RESOLVED THAT in supersession of all earlier resolutions and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, and further subject to approval of the shareholders of the Company at their duly convened and conducted meeting, consent of Board be and is hereby accorded for creation of such mortgages, charges and hypothecations as may be

necessary, in addition to the existing charges, mortgages and hypothecation created by the Company and to transfer, sell or dispose of all or any part of the moveable or immovable properties of the Company, wherever situated, both present and future, in such manner as the Board may deem fit, in favour of financial institutions, investment institutions, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/bonds and/or other instruments to secure borrowings of the Company availed / to be availed by way of rupee term loans/foreign currency loans, debentures, bonds and other instruments provided that the total amount of such loans/borrowings shall not exceed shall not at any time exceed ₹1000 Crs (Rupees One Thousand Crs only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any two members of the Borrowing Committee be and are hereby authorised to finalise and settle and any two among the "Authorised Persons for Borrowing" are authorised to execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all such acts, deeds, matters and things, as they may, in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise with respect to creation of mortgage/ charge as aforesaid.

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

Ravi Patidar

Company Secretary

M. No. ACS 32328

Place: Pithampur

Date: 21st July, 2021

NOTES: -

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 26th AGM of the Company is



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being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 26th AGM shall be the Registered Office of the Company.

2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 5 to 10 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.
3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 26th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / Authorisation letter to the Company or upload on the VC portal / e-voting portal.
6. Book Closure and Record date: The Record date for payment of dividend has been fixed as Wednesday, 22nd September, 2021

The Register of Members and Share Transfer Book of the Company shall remain closed from Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive).

7. Dividend: The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on Wednesday, 22nd September, 2021 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the

Company's Register of Members as on Wednesday, 22nd September, 2021. The final dividend will be paid on and from 23rd September, 2021.

8. SEBI vide their Circular No. SEBI/HO / MIRSD /DOP1/CIR/2018/73 dated 20th April, 2018 has mandated all listed Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by the Companies. You are requested to update your PAN and Bank details by writing to the Company's RTA.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 26th AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 26th AGM and the Annual Report for the year 2021 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -
 - a. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2021 will also be available on the Company's website www.shaktipumps.com for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the 26th AGM along with the Annual Report for 2021 are being sent by electronic mode to those Members whose E-mail addresses are registered with the DPs or the Company/RTA.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested

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under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by Shakti Pumps (India) Limited.

13. Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@shaktipumpsindia.com. Questions/queries received by the Company till 5.00 p.m. on Monday, 20th September, 2021 shall only be considered and responded during the AGM.
14. Green Initiative: To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
15. Nomination:- Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the Members may please contact their respective depository participant.
16. Submission of PAN: Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases: -a) Legal Heirs'/ Nominees' PAN Card for transmission of shares, b) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and c) Joint Holders' PAN Cards for transposition of shares.
17. Share Transfer permitted only in Demat: As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialise shares held by them in physical form.
18. Shareholders' Communication: Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address: Adroit Corporate Services Private Limited 18-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India. 022-42270423, Fax: 022-28503748. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
19. Compulsory transfer of Equity Shares to IEPF Account: Pursuant to Section 124 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF. During the Financial year 2021, unclaimed final dividend for 2014. And Equity shares in respect of which dividend entitlements remained unclaimed for 7 consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund established by Central Government (IEPF). Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority <http://iepf.gov.in/IEPF/refund.html>.
20. Voting: - All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date 22nd September, 2021 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.
21. The Board of Directors of the Company has appointed Mr. Manish Maheshwari (C.P 3860) Proprietor of M/s M. Maheshwari & Associates, Indore as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the paid up value of shares registered in their name as at close of business hours on the Cut-Off date i.e. Wednesday, September 22, 2021. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.
22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in the employment of the Company and shall within 2 days of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favour 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.



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- 23 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.

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 05th May, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders

(Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.shaktipumps.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated 13th January, 2021.

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THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:-

- (i) The voting period begins on 25th September, 2021, 9:00 A.M. and ends on 28th September, 2021, 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs

and maintenance of multiple user IDs and passwords by the shareholders.

- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/ NSDL** is given below:-

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdsliindia.com/myeasi/home/login or visit www.cdsliindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdsliindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsliindia.com home page or click on https://evoting.cdsliindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

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| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

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

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed



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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 scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; cs@shaktipumpsindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
3. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders: -Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders: - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk. evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE TO THE NOTICE

Item No.5:- Ratification of Remuneration payable to Cost Auditor.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on **21st July, 2021**, the Board has, considered and approved the appointment of **M/s. M. P. Turakhia & Associates, Cost Accountants** as the cost auditor for 2021-22 at a remuneration of ₹ 55,000/- per annum plus applicable Goods & Services tax and reimbursement of out of pocket expenses.

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

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6 To Re-appoint Mr. Dinesh Patidar (DIN: -00549552) as Managing Director of the Company for a period of Three Years.

The tenure of Mr. Dinesh Patidar (DIN: 00549552), as Managing Director of the Company to be expired on 31st August, 2021. Based on the recommendation by Nomination and Remuneration Committee and Audit committee, to the Board and the Board at its meeting held on 21st July, 2021, has re-appointed Mr. Dinesh Patidar as Managing Director for a further period of three years commencing from 01st September, 2021 till 31st August, 2024, (Both days inclusive) on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Dinesh Patidar as contained in the agreement signed between Mr. Dinesh Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"). A brief profile of Mr. Dinesh Patidar is included as an annexure to this Notice as per the requirements of Regulation 17 SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

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

a) Tenure of Appointment:

The Re-appointment of Managing Director is for a period of three consecutive years from **1st September, 2021** upto and including **31st August, 2024**.

b) Nature of Duties:

The Managing Director shall exercise and perform such powers and duties subject to the superintendence, control and direction of the Board as may be entrusted to him by the Board from time to time and subject thereto, shall have the general control of the business of the Company with power to appoint and remunerate officers, clerks and employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, matters, deeds and things, he may consider necessary or proper or in the interest of the Company. During his employment pursuant to this agreement the Managing Director shall devote his full time and attention to the business of the Company and shall use his best endeavors to promote the Company's interest and welfare.

The Company shall pay to Managing Director with effect from 1st September, 2021 in consideration of the performance of his duties:

I (a) Salary: -

Basic salary of ₹75,00,000/- (Rupees Seventy Five Lakhs only) per month;

The annual increments each year will be decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and Audit Committee and will be based on individual performance as well as Company's performance.

(b) Allowances:

Allowances of ₹ 10,00,000 (Rupees Ten Lakhs Only) per annum comprising of housing, leave travel allowance, special allowance etc. as per Company's policies subject to provisions of Income Tax Act/Rules

The annual increments each year will be decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and Audit



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Committee and also will be based on individual performance as well as Company's Performance.

(d) Incentive :

The incentive shall be paid to Mr. Dinesh Patidar upto 1% on sales.

(b) Perquisites: -

The perquisites shall be valued as per Income Tax Rules, 1962. For this purpose, perquisites will be as follows: -(Not part of Salary)

II. In addition to monthly compensation and commission as per (I) above, the Managing Director shall be entitled to the following perquisites/benefits: -

- a) Medical Benefit: The benefit of the Company's Group Medical Benefit Scheme or any other Scheme for the time being in force for medical services/benefits, for the Managing Director and his family.
- b) Personal Accident Insurance: Personal Accident Insurance for a maximum sum assured of ₹12000/- (Rupees Twelve Thousand only).
- c) Car: Facility of Company Car
- d) Provident Fund: The Company shall contribute to Provident Fund as per the Company's rules.
- e) Gratuity: As per the rules of the Company applicable to the Senior Executive.

III. The Company shall pay or reimburse to the Managing Director, the actual travelling, entertainment and other expenses reasonably incurred by him in or about the business of the Company.

IV. Earned/privilege/sick leave and encashment of unvoiced leave in accordance with the Rules of the Company.

V. Minimum Remuneration: In any financial year commencing from April 01, 2021 during the tenure of Managing Director, if the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration to him without seeking any further approvals.

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 and Mr. Sunil Manohar Lal 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 Mr. Dinesh Patidar's spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.

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 actuals.

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

Sitting Fee

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

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g) 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. 6 of the accompanying Notice for members' approval by way of Special Resolution.

Inspection of documents

The Agreement being entered into with Mr. Dinesh Patidar will be open for inspection at the Registered Office of the Company up to the date of the Annual General 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: -

| I. 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. | (₹ in Lakhs) |

| Year ending 31st March | Standalone Sales | Operating Profit | Profit before Tax | Profit After Tax |
|------------------------|------------------|------------------|-------------------|------------------|
| 2017 | 40492.85 | 4728.90 | 3132.90 | 2132.16 |
| 2018 | 41314.06 | 5781.52 | 4422.46 | 2711.05 |
| 2019 | 52311.08 | 6205.19 | 4531.40 | 3143.10 |
| 2020 | 35695.22 | (1062.55) | (2928.14) | (2041.71) |
| 2021 | 88698.55 | 10724.90 | 9321.00 | 6116.97 |

**NOTICE (Contd.)**

(₹ in Lakhs)

| | |
|---|--|
| 4. Export Performance | FOB Value of Export for the year 2018-19 - ₹ 11034.79 2019-20 - ₹ 10420.34 2020-21 - ₹ 15615.59 |
| 5. Foreign investments or collaborators, if any | Company has Four foreign Subsidiary namely:- a) Shakti Pumps USA, LLC b) Shakti Pumps FZE, UAE c) Shakti Pumps (Shanghai) Limited d) Shakti Pumps (Bangladesh) Limited |

II. Information about the appointee: -

| | | |
|--|--|----------|
| Background details | He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and has over 32 years of experience in business of Submersible Pumps and Motors. | |
| Past remuneration | The remuneration drawn by Mr. Dinesh Patidar during the past three years is as follows:- | |
| (b) Past remuneration | Year | ₹ in Crs |
| | 2018-19 | 2.33 |
| | 2019-20 | 3.12 |
| | 2020-21 | 8.56 |
| c) Recognition or awards | The appointee takes interest in the social and cultural activities. | |
| d) 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 one of the Promoters of the Company. His job profile centers to provide vision, guidance and direction for long term growth of the Company. | |
| e) Remuneration Proposed | It is proposed to pay consolidated remuneration to Mr. Dinesh Patidar Upto ₹ 9.00 Crs per annum (Rupees Nine Crs Only) per annum by way of Salary and incentive upto 1% on sales . | |
| f) Comparative Remuneration Profile with respect to Industry, Size of Company, Profile of the position and person. | Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similar positioned Businesses. | |
| g) Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any. | Except salary and perquisites to be received from the Company by the appointee including their relatives and to receive dividend declared by the Company, if any, including amounts disclosed in the Annual Report under the related party transactions, Mr. Dinesh Patidar do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company. | |

NOTICE (Contd.)

Item No. 7 To Re-appoint Mr. Ramesh Patidar (DIN: 00931437) as Whole Time Director of the Company for a period of Five Years.

The tenure of **Mr. Ramesh Patidar (DIN: 00931437)**, as the Whole-Time Director of the Company to be expired on 17th October 2021. Based on the recommendation of Nomination and Remuneration Committee and Audit Committee to the Board and the Board at its meeting held on 21st July 2021, has re-appointed him as Whole-time Director for a further period of five years commencing from 17th October, 2021 till 16th October, 2026,(Both days inclusive) on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Ramesh Patidar as contained in the agreement signed between Mr. Ramesh Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"), A brief profile of Mr. Ramesh Patidar is included as an annexure to this Notice as per the requirements of regulation 17 SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

The terms and conditions on which Mr. Ramesh Patidar is proposed to be re-appointed as Whole –time Director are as under:-

a) Term:-

The term of Whole Time Director is for a period commencing **from 17th October, 2021 till 16th October, 2026.**

b) Salary:- ₹ 5,00,000/- (Rupees Five Lakhs 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 Whole-time Director. (Not part of Salary.)
2. **Health Insurance:** Health Insurance premium for covering self and dependent family members of Mr. Ramesh Patidar. (Not part of Salary.)
3. **Leave Travel Concession:** For self and family once in a year. (Not part of Salary.)
4. **Leave:** As per the Rules of the Company applicable to the Senior Executives.
5. **Accident Insurance:** Premium not to exceed ₹ 12,000/- per annum.
6. **Car:** Facility of Company Car with Driver.

7. Education Allowances:-

Upto ₹ 3,00,000 per annum.

e) Other Benefits:-

In addition to the perquisites, the Whole-time 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.

b) Minimum Remuneration: -

Notwithstanding anything herein above stated where in any accounting year, the company incurs a loss or its profit are in adequate, the Company shall continue to pay the same remuneration as stated above as minimum remuneration but not exceeding the limit specified **under Part II of section II of Schedule V** of the Companies Act, 2013, or such other limits as may be approved by the Central Government from time to time as minimum remuneration.

Considering the Vast knowledge and rich business experience of Mr. Ramesh 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. Ramesh Patidar is, in any way, concerned or interested, finance/ally or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item no. 7 for approval of the Members.

Item No. 8 To Re-appoint Mr. Sunil Manoharlal Patidar (DIN: 02561763) as Whole Time Director of the Company for a period of Five Years.

The tenure of **Mr. Sunil Manoharlal Patidar (DIN: 02561763)**, as the Whole-time Director of the Company to be expired on 28th January, 2021. Based on the recommendation of Nomination and Remuneration Committee and Audit Committee to the Board and the Board at its meeting held on



NOTICE (Contd.)

16th October, 2020, has re-appointed as Whole-time Director for a further period of five years commencing from 29th January, 2021 till 28th January, 2026, (both days inclusive) on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Sunil Manoharlal Patidar as contained in the agreement signed between Mr. Sunil Manoharlal Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"). A brief profile of Mr. Sunil Manoharlal Patidar is included as an annexure to this Notice as per the requirements of regulation 17 SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

The terms and conditions on which Mr. Sunil Manoharlal Patidar is proposed to be re-appointed as Whole-time Director are as under:-

1. Term: -

The term of Whole Time Director is for a period commencing from **29th January, 2021 till 28th January, 2026**.

2. Salary: -

₹ 1,00,000/- (Rupees One Lakhs only) per month.

3. Perquisites: -

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

- a) **Medical Reimbursement:** The reimbursement of actual medical expenses incurred by self and family of the Whole-time Director.
- b) **Health Insurance:** Health Insurance premium for covering self and dependent family members of Mr. Sunil Manoharlal Patidar.
- c) **Leave Travel Concession:** For self and family once in a year.
- d) **Leave:** As per the Rules of the Company applicable to the Senior Executives.
- e) **Accident Insurance:** Premium not to exceed ₹ 12,000/- per annum.
- f) **Car:** Facility of Company Car with Driver.
- g) **Education Allowances:-** Upto ₹ 3,00,000 per annum.
- h) **Other Perquisites:-** Performance Incentives, Commission Upto ₹ 10.00 Lacs (not Part of Salary).

4. Other Benefits: -

In addition to the perquisites, the Whole-time Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on

remuneration specified above: -

- a) **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.
- b) **Superannuation Fund:** -Company's Contribution subject to a maximum of 15% of the Salary for every completed year of service.
- c) **Gratuity:** As per the rules of the Company applicable to the Senior Executive.
- d) **Leave Encashment:** Payable annually-in excess of 90 days.
- e) **Minimum Remuneration:** - Notwithstanding anything herein above stated where in any accounting year, the company incurs a loss or its profit are in adequate, the Company shall continue to pay the same remuneration as stated above as minimum remuneration but not exceeding the limit specified **under Part II of section II of Schedule V** of the Companies Act, 2013, or such other limits as may be approved by the Central Government from time to time as minimum remuneration.

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

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

The Board recommends the Special Resolution set out at Item no. 8 for approval of the Members.

Item No. 9 To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 1,000 Crs.

The existing borrowing limit for the Company was approved by the members in their General Meeting held on 31st July, 2014, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013. The current borrowing limit as approved by the shareholders is ₹ 500 Crs.

Hence, considering the business plans and the growing fund requirements of the Company, it is proposed to increase the existing borrowing limit of the Company from ₹ 500 Crs to ₹ 1,000 Crs. The approval of the members is sought pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

NOTICE (Contd.)

The Board recommends the above special resolution for your approval.

No Director or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution.

Item No. 10 To approve the power to create charge on the assets of the company to secure borrowings up to ₹ 1,000 Crs pursuant to section 180(1)(a) of the companies Act, 2013.

As explained above consequent to increase in the borrowing limits of the Company it would be necessary to revise the approval for creation of charge on properties of the Company given by the members in their General Meeting held on 31st July, 2014, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

The Board had in its meeting held on 21st July, 2021, accorded consent to create security to secure borrowings up to ₹1,000 Crs. Creation of security on the assets of the Company which may mean or include whole or substantially the whole of undertaking of the Company requires consent of shareholders. Accordingly, matter has been put forward for members' approval.

The Board recommends the above special resolution for your approval.

No Director or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution.

Your Directors recommend the passing of this special resolution.

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

| Name of Directors | Mr. Dinesh Patidar | Mr. Ramesh Patidar | Mr. Sunil Manoharlal Patidar |
|---|---|------------------------|--|
| Date of Birth | 25th March, 1962 | 25th January, 1973 | 13th July, 1969 |
| Expertise in specific functional areas | Experience over 3 decades in the field of Manufacturing & Selling Stainless Steel Pumps | International Business | Human resources Management and Industrial Relations |
| Date of appointment | 30th January, 2006 | 17th October, 2006 | 21st April, 1995 |
| No. of Equity Share held in the Company | 3768100 Equity Shares | 76848 Equity Shares | 1562200 Equity Shares |
| Disclosure of relationships between directors inter-se | Brother of Mr. Sunil Manoharlal Patidar (Whole Time Director) | Nil | Brother of Mr. Dinesh Patidar (Chairman and Managing Director) |
| Qualification | Graduate | MBA | Graduate |
| List of outside Directorship held in Public Company | Shakti Irrigation India Limited | Nil | Shakti Irrigation India Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company | Member of Audit Committee Member of Risk Management Committee. | Nil | 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 26th Annual Report and the Company's Audited Financial Statement for the financial year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS

The financial Summary: -

(₹ In Lakhs)

| Particulars | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|--|------------|------------|--------------|------------|
| | Standalone | | Consolidated | |
| Sales & Other Income | 89,029.05 | 36,073.50 | 93,343.26 | 38,691.14 |
| Profit before Finance Cost, Depreciation & Tax | 12,427.85 | 582.13 | 14,582.23 | 1,633.85 |
| Finance Cost | 1,403.90 | 1,865.59 | 1,621.14 | 2,079.23 |
| Depreciation & Amortisation Expenses | 1,702.95 | 1,645.68 | 1,836.46 | 1,719.69 |
| Profit/(Loss) before Tax | 9,321.00 | (2,928.14) | 11,124.63 | (2,165.07) |
| Less:-Current Tax | 2,202.95 | 148.74 | 2,491.92 | 333.42 |
| Less:-Deferred Tax | 1,001.08 | (1,035.71) | 1,074.07 | (1,090.85) |
| Profit/(Loss) after Tax | 6,116.97 | (2,041.71) | 7,558.64 | (1,407.64) |

2. FINANCIAL PERFORMANCE

During the year, your Company has registered sales and other income ₹ 93,343.26 Lakhs as compared to ₹ 38,691.14 Lakhs of previous year. Company was able to register a domestic sale of ₹ 73,102.91 Lakhs and export sale of ₹ 18,001.59 Lakhs in the current year.

3. KEY FINANCIAL RATIOS: -

| Particulars | 2018-19 | 2019-20 | 2020-21 |
|---|---------|---------|---------|
| Return on Net Worth (%) | 15.52% | -5.31% | 22.19% |
| Return on Capital Employed (%) | 16.72% | -0.19% | 29.27% |
| Basic EPS (after exceptional items) (₹) | 24.52 | -7.66 | 41.12 |
| Debtors turnover | 3.28 | 2.42 | 4.67 |
| Inventory turnover | 3.06 | 2.21 | 5.12 |
| Interest coverage ratio | 4.38 | -0.04 | 7.86 |
| Current ratio | 1.61 | 1.53 | 1.71 |
| Debt equity ratio | 0.61 | 0.73 | 0.29 |
| Operating profit margin (%) | 17.52% | 4.42% | 16.01% |
| Net profit margin (%) | 8.19% | -3.64% | 8.10% |

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

There is significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios except current ratio.

4. DETAILED EXPLANATION OF RATIOS

(i) Return on Net Worth

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

(ii) Return on Capital Employed

Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital.

BOARDS' REPORT (Contd.)

It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

(iii) Basic EPS

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

(iv) Debtors Turnover

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

(v) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

(vi) Interest Coverage Ratio

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

(vii) Current Ratio

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

(viii) Debt Equity Ratio

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

(ix) Operating Profit Margin (%)

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

(x) Net Profit Margin (%)

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

5. TRANSFER OF RESERVE

The Company has not transferred any amount to the General Reserves for the year ended 31st March, 2021.

6. LISTING INFORMATION

The Company Shares are listed as follows:-

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

7. SHARE CAPITAL

There is no change in the authorised share capital of the Company and the authorised share capital of the Company as on 31st March, 2021 is ₹ 40.00 Crs.

The Company has not allotted any Shares during the year. The paid up share capital of the Company as on 31st March, 2021 is ₹ 18,38,01,560/-.

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

As on 31st March, 2021, your Company is having following Subsidiaries:-

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

There has been no material change in the nature of the business of the Company and its Subsidiary. During the year the Company has close its subsidiary Shakti Pumps Pty. Ltd. incorporated at Australia.

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**.



BOARDS' REPORT (Contd.)

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.

9. 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 31st March, 2021, 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 31st March, 2021 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.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

- a) the decorative business international operations,
- b) industrial and home improvement business,

- c) internal controls and their adequacy, risk management systems and other material developments during the financial year.

11. CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's 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.

12. DEPOSITS

During 2020-21, 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.

13. DETAILS OF SIGNIFICANT AND MATERIAL 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.

14. CORPORATE SOCIAL RESPONSIBILITY

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

CSR policy has been uploaded on the Company's website at www.shaktipumps.com.

Pursuant to requirements under section 135 and rules made there under a Report on CSR activities and

BOARDS' REPORT (Contd.)

initiatives taken during the in prescribed format is given in **Annexure II** which is annexed hereto and forms part of Director Report.

15. RISK MANAGEMENT

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

16. 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.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with related parties during 2020-21, 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.

18. DIRECTORS

Mr. Sunil Manoharlal Patidar, Whole-Time Director (DIN:02561763) retires from the Board by rotation and being eligible, offer himself for reappointment which is subject to approval of the Shareholders in the ensuing Annual General Meeting.

19. APPOINTMENT/RE-APPOINTMENT

- (a) The Board at its meeting held on 21st July, 2021, pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee Mr. Dinesh Patidar (DIN 00549552) have been re-appointed as Managing Director for a period of 3 years from 01st September, 2021 to 31st August, 2024 (both days Inclusive).
- (b) The Board at its meeting held on 21st July, 2021, pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee, Mr. Ramesh Patidar (DIN 00931437) have been re-appointed as Whole -Time Director for a period of 5 years from 16th October, 2021 to 15th October, 2026 (both days Inclusive).
- (c) The Board at its meeting held on 16th October, 2020, pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee, Mr. Sunil Manoharlal Patidar (DIN 002561763) have been re-appointed as Whole -Time Director for a period of 5 years from 29th January, 2021 to 28th January, 2026 (both days Inclusive).

20. 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.

21. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In accordance with the provisions of Schedule IV of



BOARDS' REPORT (Contd.)

the Companies Act 2013, a Separate Meeting of the Independent Directors was held on 31st March, 2021, 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 2020-21.

22. 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.

23. 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.

24. KEY MANAGERIAL PERSONNEL

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

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

25. 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.

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

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

27. 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.

28. 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.

29. SECRETARIAL AUDITOR

The Board has appointed Mr. Manish Maheshwari (FCS 5174), Practicing Company Secretary to conduct

BOARDS' REPORT (Contd.)

the Secretarial Audit of the Company for 2020-21. The Secretarial Audit Report is annexed herewith **Annexure - IV** to this Report.

30. 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 2021-22 at a remuneration of ₹ 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.

31. EXTRACT OF ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 in Form MGT - 9 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.shaktipumps.com.

32. 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.

33. 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.

34. 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.

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as "**Annexure V**" to this Report.

36. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report forms a part of this Annual Report. is set out herewith as "**Annexure VI**" to this Report.

37. APPRECIATION AND ACKNOWLEDGMENTS

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

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

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

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

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

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

**Place: Pithampur
Dated: 21st July, 2021**

**Dinesh Patidar
Managing Director
DIN:-00549552**



Form AOC-1

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

Part "A": Subsidiaries

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

| 1. | Name of the subsidiary | Shakti Pumps LLC USA | Shakti Pumps FZE | Shakti Pumps PTY Limited | Shakti Pumps (Shanghai) Limited | Shakti Pumps (Bangladesh Limited) | Shakti Energy Solutions Pvt. Ltd. |
|-----|---|----------------------|------------------|--------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31.03.2021 | 31.03.2021 | 31.03.2021 | 31.03.2021 | 31.03.2021 | 31.03.2021 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | USD 71.60 | USD 71.60 | AUD 55.60 | RMB 11.35 | BDT 0.85 | INR 1.00 |
| 4. | Share capital | 3331941 | 15656115 | 717952 | 1691875 | 3726750 | 19957610 |
| 5. | Reserves & surplus | 222347515 | 132717534 | (717952) | (706035) | (1200085) | 183796386 |
| 6. | Total assets | 257552333 | 232873104 | - | 1837329 | 43670274 | 388537999 |
| 7. | Total Liabilities | 31872878 | 84499455 | - | 851489 | 41143609 | 102268664 |
| 8. | Investments | - | - | - | - | - | - |
| 9. | Turnover | 252349544 | 764115075 | 611691 | 4415885 | 40875289 | 871368701 |
| 10. | Profit before taxation | 64676349 | 51882413 | (101987) | (787298) | (362832) | 68965707 |
| 11. | Provision for taxation | 17385349 | - | - | - | - | 18810850 |
| 12. | Profit after taxation | 47291000 | 51882413 | (101987) | (787298) | (362832) | 50154857 |
| 13. | Proposed Dividend | - | - | - | - | - | - |
| 14. | % of shareholding | 100 | 100 | - | 100 | 100 | 100 |

Notes: The following information shall be furnished at the end of the statement:

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

Part "B":- Associates and Joint Ventures

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.

ANNUAL REPORT

ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
2. Collaborate with likeminded bodies like Voluntary organisations, 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.

1. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) The Company is required to spend ₹70,89,066/- for 2021-22.
2. Details of CSR spend for 2020-21.
 - a) Total amount spent during 2020-21, ₹1,14,76,366/-.
 - b) 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 (₹) | Amount spent on the project or programs (₹) | Cumulative expenditure upto reporting period (₹) | Amount spent: Direct or through Implementing agency (₹) |
|--------------------|--|---|--|--|--|---|--|
| 1 | Parcel lunch box COVID-19 & Sanitisation | Social | Indore | 70,000 | 63,180 | 63,180 | 0 |
| 2 | Construction of Girls Hostel | Social | Barwani | 25,00,000 | 25,00,000 | 25,63,180 | 0 |
| 3 | Installation of Solar Pumps System | Social | Bangalore | 3,00,000 | 2,70,000 | 28,33,180 | 0 |
| 4 | Donation to Shakti Foundation | Social | Indore | 85,00,000 | 83,23,292 | 1,11,56,472 | 0 |
| 5 | Donation to Police Welfare | Social | Indore | 100,000 | 1,00,000 | 1,12,56,472 | 0 |
| 6 | Installation of Pumps and Motors System | Social | Indore | 40,000 | 36,500 | 1,12,92,972 | 0 |
| 7 | Installation of Solar Pump system at Nalcha, Mandu | Social | Dhar | 2,00,000 | 1,83,395 | 1,14,76,367 | 0 |

5. During the financial year Company has spent ₹ 1,14,76,366/- out of ₹ 1,14,76,366/-.
6. The CSR Committee of the Board of Directors hereby confirms that implementation and Monitoring is fully in 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 :-

Dinesh Patidar
Managing Director
(DIN :00549552)

Signature :-

Pramod Kumar Bhawsar
Chairman CSR Committee
(DIN : 07825119)



ANNEXURE "III"

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

The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in 2020-21 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 2020-21 (In ₹) | Percentage Increase in Remuneration for the Financial Year 2020-21. | Ratio of Remuneration of each Director to the Median Remuneration of Employees |
|--------|--|--|---|--|
| 1 | Mr. Dinesh Patidar Managing Director | 8,56,04,882 | 174.35% | 238.48 |
| 2 | Mr. Sunil Manoharlal Patidar Whole-Time Director | 10,30,000 | - | 2.87 |
| 3 | Mr. Ramesh Patidar Whole-Time Director | 38,85,250 | - | 10.82 |
| 4 | Mr. Dinesh Patel Chief Financial Officer | 15,98,058 | - | 4.45 |
| 5 | Mr. Ravi Patidar Company Secretary | 9,91,982 | - | 2.76 |

- 1) The Median Remuneration of Employees of the Company during the financial year was ₹ 3,58,955/-.
- 2) There was an increase of Nil in median remuneration of employees during the financial year.
- 3) The number of permanent employees on the rolls of the Company is 544 for the year ended 31st March, 2021.
- 4) Average percentage increase made in the salaries of employees other than the managerial personnel in 2020-21 was Nil % affirmed that remuneration paid during the year ended 31st March, 2021 is as per the Remuneration Policy of the Company.

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAKTI PUMPS (INDIA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this report. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **31st March, 2021** 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, 2018 and as amendments from time to time. [Not Applicable as the Company has not issued further share capital during the financial year under review];
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014.(Not Applicable to the Company during the Audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008.[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]



ANNEXURE "IV" (Contd.)

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. [Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review.]
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review].
- vi. 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,
 - 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 with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

We further report that:

We rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

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

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

As per the Minutes, the decisions at the Board Meeting were taken unanimously.

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

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 event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard.

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

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

Manish Maheshwari

Proprietor

FCS-5174

CP-3860

Date : 20th July, 2021

Place : Indore

UDIN : F005174C000660213

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 : 20th July, 2021
Place : Indore
UDIN : F005174C000660213**



CONSERVATION OF ENERGY, TECHNOLOGY

ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

| S. No. | Particulars |
|-----------|-------------|
|-----------|-------------|

Conservation of Energy: -

| | | |
|---|---|---|
| 1 | the steps taken or impact on conservation of energy; | Being an energy efficient product manufacturer we make energy efficient stainless steel pumps motors and power electronic products. 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 grid interactive inverters across globe and Company made solar business as key focus area of business. This solar power could transform our agricultural landscape and improve quality of life in rural and urban India ensuring energy security to the poor and marginalised. 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 and state of the art facility 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 technology and associated products to make solar pumping successful. For solar pumping not only solar panel but other key element like energy efficient motors, pumps, power converter and structure to harness maximum of solar energy. This made us capable to offering end-to-end solar pumping solutions in agriculture, commercial and domestic applications that has potential to impact the energy scenario in India. The extensive R&D in the field of solar pumping helps us to develop above said products and R&D resulted in filing several patents in this area. We are working towards indigenous development of VFD's, Grid-tie Inverters for single phase and three-phase for supporting domestic and export market. We have also collaborated with IIT Delhi, IISc Bangalore and other premium institutes for research and development in motor pumps and power converter technology. |
|-----|--|---|

| S. No. | Particulars | |
|-------------------|---|---|
| (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. Also, the grid tie inverters developed by us are feeding power to the grid has immense potential to reduce the energy cost along with its clean solution |
| (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 - 2017 |
| | (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 | ₹ 3.30 Crs. |

Foreign Exchange earnings and outgo

| | |
|----------------------------|---------------|
| i) Foreign Exchange Earned | ₹ 150.42 Crs. |
| ii) Foreign Exchange Outgo | ₹ 40.86 Crs. |

**BUSINESS RESPONSIBILITY REPORT FOR 2020-21****In terms of Regulation 34 of the Listing Regulations.****Section A: General Information about the Company**

| | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Company | L29120MP1995PLC009327 |
| 2. Name of the Company | SHAKTI PUMPS (INDIA) LIMITED |
| 3. Registered address | Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur MP 454774 |
| 4. Website | www.shaktipumps.com |
| 5. E-mail id | cs@shaktipumpsindia.com |
| 6. Financial Year reported | 2020-21 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise) | Manufacture of other pumps NIC 28132 |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | Energy Efficient Submersible/Surface Pumps & Motors Solar Irrigation Pumps & Motors Solar Pump Controller Variable Frequency Drives (VFDs) |
| 9. Total number of locations where business activity is undertaken by the Company | 18 Branch Offices across the country. |
| I. Number of International Locations (Provide details of major 5) | 4 International Locations namely USA, Bangladesh, China and UAE |
| II. Number of National Locations | 18 |
| 10. Markets served by the Company – Local/State/ National/International/ | The Company serves in both national and international markets. |

Section B: Financial Details of the Company

| | |
|--|---|
| 1. Paid up Capital (INR in lacs) | ₹ 1838.02 |
| 2. Total Turnover (INR in lacs) | ₹ 93343.26 |
| 3. Total profit after taxes (INR in lacs) | ₹ 7558.64 |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 5.20% (₹ 114.76 Lakhs) of the average net profit of the Company from the last three financial years, calculated as per Section 198 of the Companies Act, 2013. |
| 5 List of activities in which expenditure in 4 above has been incurred:- | The CSR amount is spent in following broad areas: I. Capacity building and skill development training II. Promotion of education and sports. III. Preventive health care |

Section C: Other Details

1. Does the Company have any subsidiary company(s)?

Yes, the Company has 5 subsidiary companies.

2. Does the subsidiary company(s) participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

No, the subsidiary companies do not participate in the BR initiatives of the Company.

3. Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company is working towards including its supply chain in their BR initiatives. However, presently, none of its suppliers or distributors are a part of BR Initiatives.

Section D:-BR Information

1. Director/Directors responsible for BR

(a) Details of the Director(s) responsible for the implementation of the BR policy(s)

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

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

*Chairman of the Committee

(b) Details of the BR head

| | |
|----------------------------|--------------------------------|
| DIN Number (if applicable) | 07825119 |
| Name | Pramod Kumar Bhawsar |
| Designation | Head-BRR |
| Telephone number | 9425067050 |
| E-mail id | pramod.bhavsar@shaktipumps.com |

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

(a) Details of compliance: -

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|---|----|----|----|----|----|----|----|----|
| 1. | Does the Company have a policy(s) for principles | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national/international standards? If yes, specify in 50 words. | The Company's policies are aligned with various standards in order to ensure conformance to national or international benchmarks, such as, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and NVG Guidelines issued by the Ministry of Corporate Affairs under the Government of India. | | | | | | | | |
| 4. | Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |



ANNEXURE "VI" (Contd.)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|-----|--|-----------------------------|----|----|----|----|----|----|----|----|--|
| 5. | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 6. | Indicate the link for the policy to be viewed online. | https://www.shaktipumps.com | | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 8. | Does the Company have an in-house structure in place to implement the policy(s)? | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 9. | Does the Company have a grievance redressal mechanism related to the policy(s) to address stakeholders' grievances related to the policy(s)? | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 10. | Has the Company carried out an independent audit/evaluation on the working of this policy by an internal or external agency? * | Y | Y | Y | Y | Y | Y | Y | Y | Y | |

*The Company has initiated Business Responsibility Report in the financial year 2020-21 and this is Shakti Pumps (India) Limited's Business Responsibility Report. The Business Responsibility initiatives of the Company are in their nascent stage and it will take some time to implement the BR Policy completely. The Company is in the process of engaging different stakeholders such as suppliers, customers, etc. in the Business Responsibility initiative of the Company. The Company will carry out independent audit/evaluation on the working of its BR Policies as and when it is deemed necessary.

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

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

3. Governance related to BR:-

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

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

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

The Business Responsibility Report of the Company will be published annually.

<https://www.shaktipumps.com>

Section E: Principle-Wise Performance

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

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

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

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

During 2020-21, no complaints were received by the Company.

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

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

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

(a) **Solar Irrigation Pumps/Energy Efficient Pumps and Motors:** The Company manufactures clean energy products such as solar pumps and motors with lesser GHG emissions as compared to traditional pumps. The Company has an aggregate solar installation capacity of about 227 MW in solar pumping systems and solar rooftops. Moreover, the conventional pumps and motors manufactured are highly energy-efficient, which boost the Company's monetary savings and position us as an environment-conscious brand.

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

(a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Not Applicable

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

Most products are solar-powered and 40% energy-efficient, contributing to a prudent usage of energy. Moreover, the micro-irrigation products are aimed at saving water on a substantial scale, i.e., up to 80% more, compared with conventional farming techniques.

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

The Company rewards its procurement tenders to complying organisations. The work is in tandem with the Company's suppliers and vendors, who have systems in place to ensure responsible behaviour such as adherence to local and national compliances, implementation of management systems including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, to name a few.

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

The Company has a vast network of suppliers both in India and abroad. However, the procurement decisions are always taken considering the development of the local economy. With nationwide local suppliers, the Company thrives on ease of delivery of products and services, reduced financial burden, and minimal environmental footprint.

The Company is committed to the development of small vendors in terms of technology and skills, and in-house engineers often educate, and enhance skills and resources of, vendors by methods of direct knowledge sharing and informational trainings in a need-based manner.

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

Not applicable.

Principle 3: Businesses should promote the wellbeing of all employees

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

The total number of permanent employees hired on payroll with the Company is 544. The total number of employees hired on temporary/contractual/casual basis is 692, and there are 35 permanent female employees.



2. Does the Company have an employee association that is recognised by the Management?

No.

3. What percentage of the Company's permanent employees are members of this recognised employee association?

Not Applicable.

4. Please indicate the number of complaints pertaining to child labour, forced labour, involuntary labour, or sexual harassment in the last financial year and pending as on the end of the financial year.

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

5. What percentage of the Company's under-mentioned employees were given safety & skill up-gradation trainings in the last year?

| | |
|--|-----|
| (a) Permanent Employees | 80% |
| (b) Permanent Women Employees | 80% |
| (c) Casual/Temporary/Contractual Employees | 75% |

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

1. Has the Company mapped its internal and external stakeholders?

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

2. Out of the above, has the Company identified the disadvantaged, vulnerable, and marginalised stakeholders?

Yes, the Company has identified disadvantaged, vulnerable, and marginalised communities in the vicinity of its manufacturing plants as most vulnerable external stakeholders. The youth, children, and women of these local communities emerged as target groups and, hence, are being cared for via CSR projects.

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

The Company, for its CSR activity, established a Charitable Trust named as 'Shakti Foundation' under which various initiatives and programmes have been organised to engage with disadvantaged, vulnerable, and marginal stakeholders. The Foundation is primarily

engaged in establishment and maintenance of institutions for providing education and healthcare to the vulnerable and the poor.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/suppliers/contractors/NGOs/others?

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

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

During the reporting period, no complaints were received.

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

1. Does the policy over Principle 6 cover only the Company or extends to the group/joint ventures/suppliers/contractors/ NGOs/other?

The Company is currently having Environment Management Cell (EMC) in the organization. EMC meetings are being held in the company on quarterly basis. Environment related points like air, water, air, waste related points are discussed and relevant major and minor initiatives are being taken related to the environment.

2. Does the Company have any projects related to Clean Development Mechanism? If so, provide details, thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?

The company has formed one legal register in which few of the measures like ambient air, general & hazardous waste disposal, production as per consent limit is being verified and complied as per the mentioned timeline.

3. Does the Company identify and assess potential environmental risks?

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

4. Does the Company have any projects related to Clean Development Mechanism? If so, provide details, thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?

No, the Company does not have any specific projects on Clean Development Mechanism. However, the Company is constantly trying to increase the share of clean energy to meet in-house energy requirements, as part of our plan to manufacture products that are energy-efficient, eco-friendly, and solar (clean) energy operated that bring positive change in the environment in the long run.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? If yes, please give hyperlink for web page etc.

The Company, being an energy-efficient product manufacturer, makes energy-efficient stainless-steel pumps, motors, and electronic products, apart from its flagship products - solar irrigation pumps. The Company offers energy-efficient pumping systems for agriculture, which deliver energy savings of over 40% compared to conventional pumping system. The new products have been procured with utmost care in terms of energy-efficiency. Every single watt that is saved at the production stage will ripple into a big impact on the demand of power generated.

The Company favours solar energy, not only as a key business are, but also as its own internal mode of energy production. The Company also promotes solar pumps and inverters across the globe. Experts believe that solar power could transform agriculture, rural landscape, employment scope, and the quality of life across both, rural and urban India. Scaling up the use of solar energy and its applications will ensure energy security to the poor and the marginalised. This would immensely help climate change mitigation efforts on a global scale. The Company is also working towards the solar Chulha (solar stove) and home-lighting systems to improve energy-access and the quality of life among the rural population.

6. Is the emission/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emission/waste generated by the Company, during the year, was within permissible limits given by CPCB/SPCB(s), and the Company sets a to become a zero-waste organisation.

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

As on 31st March, 2021, there are no pending legal cases.

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

1. Is the Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

Yes, the Company serves as a member of many industry bodies and associations; FICCI, CII, EEPC, FIEO, NSEFI, IEEMA, AEEE, to name a few, apart from being a member of various committees with the Government and industry organisations.

2. Has the Company advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company actively participates in these forums to raise issues related to policy and regulatory matters that impact the interest of our stakeholders. The Company prefers to be a part of the broader policy development process in the larger interest of the industry and environment and does not practice lobbying on any specific issue for the benefit of individual interest.

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

1. Does the Company have specified programmes/initiatives/projects in pursuit of their policy related to Principle 8? If yes, please provide details, thereof.

The Company is committed to engaging its organisational resources and knowledge for our community's betterment. The Company encourages sustainable development-oriented interventions, capacity building, skill developments, sanitation, education, and, healthcare. The Company has developed programmes based on the needs of the communities around our manufacturing units, and considers all stakeholder groups important for a 100% successful execution of its projects. Following are the areas of intervention:

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



ANNEXURE "VI" (Contd.)

2. Are the programmes/projects undertaken through an in-house team/own foundation/external NGO/government structures/any other organisation?

To give greater attention to the CSR programs, the Company established a charitable foundation, 'Shakti Foundation', which is a registered trust under the Indian Trust Act. The Foundation implements projects directly by using internal resources and expertise. Although, Shakti Foundation is sole owner of all its community programmes; to holster these programmes, the Foundation collaborates with like-minded organisations at different stages of its programmes.

3. Has the Company done any impact assessment of its initiatives?

No.

4. What is the Company's direct contribution to community development projects? Mention the amount in and the details of the projects undertaken.

The total amount spent on CSR activities in 2020-21 is 114.76 Lakhs. The amount was spent on following programmes:

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

For detailed information, please refer to 'CSR section' and 'Annexure II' of Directors' Report in the Annual Report.

Drinking Water: The Company also helped in providing basic amenities such as drinking water facilities to marginalised communities and villages.

5. Has the Company taken any steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company believes in developing a need-based CSR, and the programmes are designed in consultation with the local communities. Therefore, there is a sense of ownership that instils pride and accountability leading to a successful adoption of the community

development initiative. Furthermore, during the course of the project implementation, we work towards building the capacity of our local communities and stakeholders to ensure sustainability of the programmes like our skill development programme. These initiatives help us build a strong community and empower the people around enough to make these projects self-sustainable.

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

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

Being customer-centric is a key element for the Company. As of 31st March, 2021 no complaints are pending for resolution.

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

Yes, the Company displays product information on the product label as per local laws, and wherever applicable.

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

There is no such case against the Company related to unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour, since the last five years and no pending cases as on the end of 2020-21.

4. Did the Company carry out any consumer survey/consumer satisfaction trends?

Being a customer-centric organisation, the Company is always keen to engage with its customers. Each consumer plays an important role in the Company's value chain. The Company engages with them regularly via an engrossing, centralised customer care centre with toll-free numbers. The Company also takes their feedback directly or through surveys with an objective to improve quality and performance, aiming to improve consumer satisfaction.

REPORT ON CORPORATE GOVERNANCE

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 ('the Code') 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. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent

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 Familiarisation: -

The Board Familiarisation 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 familiarisation 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 organisation, its history, values, culture and purpose. The Business and Functional Heads take the Independent directors through their respective businesses and functions. The Independent Directors are also inducted through Factory and Market visits to understand the operation of the Company. The Independent Directors are also exposed to the Constitution, board procedures, matters reserved for the Board and major risks facing the Business and mitigation programs. The Independent Directors are also made aware of their roles and responsibility at the time of their appointment and a detailed letter of appointment is issued to them.

2.2 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



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 emphasised 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 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, Company Secretaries,

2.4 Composition of Board: -

The Board of Directors of the Company comprises an optimum combination of Executive and non-Executive Directors, as required under regulation 17(1) (b)SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year ended 31st March, 2021, 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 One Nominee Director representing AFHoldings. During the year Mr. Sridhar Narayan Nominee Director, representing AFHoldings has tendered his resignation with effect from 27th July, 2020. 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.

2.5 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.

2.6 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 31st March, 2021. 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. Pramod Kumar Bhawsar and Mr. Keyur Thaker.
- iii) The Meeting reviewed the performance of Non-

REPORT ON CORPORATE GOVERNANCE (Contd.)

Independent Directors and the Board as a whole.

- iv) Also the meeting reviewed the performance of the Chairman of the Company.
- v) Assist the quantity and quality and timeliness of law of information between Company Management and Board.

2.7 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 | 5 | 5 | Yes | 1 | - | - |
| 2 | Mr. Sunil Manoharlal Patidar | Executive | 5 | 4 | - | 1 | - | - |
| 3 | Mr. Ramesh Patidar | Executive | 5 | 5 | Yes | - | - | - |
| 4 | Mr. Navin Sunderlal Patwa | Independent | 5 | 5 | Yes | - | - | - |
| 5 | Mrs. Nishtha Neema | Independent | 5 | 5 | Yes | - | - | - |
| 6 | Mr. Pramod Kumar Bhawsar | Independent | 5 | 5 | Yes | - | - | - |
| 7 | Mr. Keyur Bipinchandra Thaker | Independent | 5 | 5 | Yes | - | - | - |
| 8 | Mr. Sridhar Narayan | Nominee | 1 | - | No | - | - | - |

Mr. Sridhar Narayan has Resigned from the post of Nominee Director w.e.f 27th July, 2020.

2.8 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 31st March, 2021, Five Board meetings were held on 29th June, 2020, 05th August, 2020, 27th August, 2020, 16th October, 2020, and 18th January, 2021.

The necessary quorum was present for all the meetings.

2.9 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, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

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

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

3. BOARD COMMITTEES: -

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

Composition of Board Level Committees.

3.1 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 utilised for purposes other than those stated in the offer document Notices/ Prospectus/Notice and Report submitted by the Monitoring agency the utilisation 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 16) To look into reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (In case of Non Payment of Declare Dividend) and Creditors.
- 17) To Review the functioning of the Whistle Blower Mechanism.
- 18) Approval of Appointment of CFO (i.e. Whole time Finance Director or any other Person heading the Finance Function for discharging that Function) after assessing the qualification experience and background etc. of the candidate.
- 19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

During the financial year ended 31st March, 2021, 4 (Four) meeting of the Audit Committee were held on 29th June, 2020, 05th August, 2020, 16th October, 2020, and 18th January, 2021.

| S. N. | Name | Category | Number of meetings during the year 2020-21 | |
|----------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mrs. Nishtha Neema | Independent Director | 4 | 4 |
| 2 | Mr. Navin Sunderlal Patwa | Independent Director | 4 | 4 |
| 3 | Mr. Dinesh Patidar | Managing Director | 4 | 4 |

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 Bhawsar and Mrs. Nishtha Neema all are Independent Directors.

During the financial year ended 31st March, 2021, 2 (Two) Meeting was held during the year i.e. 05th August, 2020 and 16th October, 2020, the details of meetings

held and attendances are as follows: -

| S. N. | Name | Category | Number of Meetings during the Year 2020-21 | |
|----------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mr. Navin Sunderlal Patwa | Independent Director | 2 | 2 |
| 2 | Mr. Pramod Kumar Bhawsar | 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.

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

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criterion for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;



REPORT ON CORPORATE GOVERNANCE (Contd.)

- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Skills and its description

| Description | Dinesh Patidar | Sunil Manoharlal Patidar | Ramesh Patidar | Navin Sunderlal Patwa | Pramod Kumar Bhawsar | Keyur Thakar | Nishtha Neema | Sridhar Narayan |
|--|----------------|--------------------------|----------------|-----------------------|----------------------|--------------|---------------|-----------------|
| Leadership experience of running large enterprise – Experience in leading well-governed large Organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance. | √ | √ | | √ | | | | √ |
| Experience of crafting Business Strategies – Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions. | √ | √ | √ | | | √ | | √ |
| Understanding of Consumer and Customer Insights in diverse environments and conditions – Experience of having managed organisations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits. | √ | √ | √ | √ | √ | | √ | √ |
| Finance and Accounting Experience – Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements. | √ | | | √ | √ | √ | √ | |
| Experience in overseeing large and complex Supply Chain – Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact. | √ | √ | √ | | | | | √ |
| Understanding use of Digital / Information Technology across the FMCG value chain – Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation. | √ | | | √ | | | √ | √ |
| Experience of large companies and understanding of the changing regulatory landscape- Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework. | √ | √ | √ | | √ | √ | | √ |

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of Remuneration paid/ payable to the Directors during 2020-21 are as follows: -

| | | | | | Amount in ₹ |
|------------------------------|-------------|-------------|-------------|--------------|-------------|
| Name | Category | Salary | Perquisites | Sitting fees | |
| Mr. Dinesh Patidar | Executive | 4,50,00,000 | 4,06,04,882 | Nil | |
| Mr. Sunil Manoharlal Patidar | Executive | 9,65,000 | 65000 | Nil | |
| Mr. Ramesh Patidar | Executive | 32,32,750 | 6,52,500 | Nil | |
| Mr. Navin Sunderlal Patwa | Independent | Nil | Nil | 2,00,000 | |
| Mr. Sridhar Narayan | Nominee | Nil | Nil | Nil | |
| Mrs. Nishtha Neema | Independent | Nil | Nil | 2,00,000 | |
| Mr. Pramod Kumar Bhawsar | Independent | Nil | Nil | 2,00,000 | |
| Mr. Keyur Thaker | Independent | Nil | Nil | 2,00,000 | |

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

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

During the financial year ended 31st March, 2021, 4 (Four) Meeting were held during the year i.e. 29th June, 2020, 05th August, 2020, 16th October, 2020, and 18th January, 2021. and the details are as follows:-

| S. N. | Name | Category | Number of Meetings during the Year 2020-21. | |
|----------|---------------------------|----------------------|---|----------|
| | | | Held | Attended |
| 1 | Mr. Navin Sunderlal Patwa | Independent Director | 4 | 4 |
| 2 | Mr. Pramod Kumar Bhawsar | Independent Director | 4 | 4 |
| 3 | Mrs. Nishtha Neema | Independent Director | 4 | 4 |
| 4 | Mr. Dinesh Patel | CFO | 4 | 4 |

Terms of Reference: -

Terms of reference of committee broadly as under: -

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

and recommend measures for overall improvement in the Investor Services.

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

Composition: -

The Committee Comprises of 3 (Three) Members.

The reconstituted Committee is having following members namely: -

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

During the financial year ended 31st March, 2021, 1 (One) Meeting was held during the year 18th January, 2021, the details are as follows: -



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| S. N. | Name | Category | Number of Meetings during the Year 2020-21. | |
|----------|---------------------------|----------------------|---|----------|
| | | | Held | Attended |
| 1 | Mr. Pramod Kumar Bhawsar | Independent Director | 1 | 1 |
| 2 | Mrs. Nishtha Neema | Independent Director | 1 | 1 |
| 3 | Mr. Navin Sunderlal Patwa | Independent Director | 1 | 1 |

3.5 Risk Management Committee:-

The Company has constituted Risk management committee in its Board Meeting dated 21 July 2021, pursuant to Regulation 21 of SEBI (LODR) (second Amendment) Regulations 2021,

The composition of committee is comprised of Three Director out of which two are Independent Director and one is executive Director:-

1. Mr. Navin Sunderlal Patwa
2. Mr. Pramod Kumar Bhawsar
3. Mr. Dinesh Patidar

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 |
|---------|-------------|----------------------|------------|---|
| 2017-18 | AGM | 27th September, 2018 | 12:30 P.M | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.- Dhar (M.P)-454774. |
| 2018-19 | AGM | 27th September, 2019 | 12:30 P.M. | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.- Dhar (M.P)-454774. |
| 2019-20 | AGM | 29th September, 2020 | 12:30 P.M. | through video conferencing ("V.C." other Audio Visual means) "OAVM" |

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

23rd Annual General Meeting held on 27th September, 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 01st September, 2018 till 31st August, 2021.

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

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

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

- i) Re-appointment of Mrs. Nishtha Neema (DIN: 01743710) as an Independent Director for a period of 5 (Five) consecutive Years. commencing from 27th March 2020 to 26th March 2025.

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 USA, LLC | Wholly Owned Subsidiary |
| 2 | Shakti Pumps FZE, UAE | Wholly Owned Subsidiary |
| 3 | Shakti Pumps (Shanghai) Limited, China | Wholly Owned Subsidiary |
| 4 | Shakti Pumps (Bangladesh) Limited | Subsidiary |
| 5 | Shakti Energy Solutions Private Limited | Wholly Owned Subsidiary |

7. GOVERNANCE OF SUBSIDIARY COMPANIES: -

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report, having a net worth exceeding 20% or 10% of the consolidated net

REPORT ON CORPORATE GOVERNANCE (Contd.)

worth or income of 20% or 10% of the consolidated income of your Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

8. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The Company has not entered into any material related Party transaction during the year. In line with the requirement of companies act 2013 and Listing regulations , your Company has formulated a policy on Related Party Transactions which is also available at the Company's website under the web link:-<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 Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions, which are of repetitive nature and/ or entered during the year were in Ordinary Course of business and on Arm's length basis. No Material Related Party Transactions i.e. transactions exceeding ten percent of annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

9. DISCLOSURES :-

9.1 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.

9.2 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.

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

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

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

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

Your Company has constituted Internal Committees.

| | |
|--|---|
| Number of Complaints filed during 2020-21 | 0 |
| Number of Complaints disposed off. during FY 2020-21 | 0 |
| Number of Complaints pending as on 31st March, 2021 | 0 |

9.4 Risk management: -

The Company has laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board to ensure that the executive management controls the risk in properly defined framework.

9.5 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



REPORT ON CORPORATE GOVERNANCE (Contd.)

authority on any matter related to the capital market during last three years.

- ii) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- iii) The Company has also undertaken Secretarial Audit for the financial year 2020-21 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.

9.6 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.

9.7 Policy regarding Material subsidiaries: -

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

9.8 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 of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been displayed in the Company's website (www.shaktipumps.com).

9.9 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.

9.10 Policy on Dividend Distribution

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

10. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE

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

11. SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the financial year 2020-21 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.

12. ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for 2020-21 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.

13. CONFIRMATION AND CERTIFICATION

On an annual basis, the Company obtains from each Director , details of Board and Board Committee positions he/she occupies in other Companies, and changes. 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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

14. 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 Investor Relations where shareholders information is available. The Annual Report is also available on the website in a user-friendly and downloadable form.
- (iv) **Annual Report:** Annual Report containing inter alia, Audited Annual Accounts, consolidated Financial Statements, Directors Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
- (v) **BSE Corporate Compliance & Listing Centre** (the "Listing Center") The Listing Center of BSE is a web based application designed by BSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center.
- (vi) **NSE Corporate Compliance & Listing Centre** (the "Listing Center"): The Listing Center of NSE is a web based application designed by NSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center NSE.
- (vii) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web based complaints redress system.

15. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by

the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:-

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

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

16. AFFIRMATION AND DISCLOSURE

All the Members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2021 and a declaration to that effect, signed by the Chairman and Managing Director, is attached and forms part of this Report.

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

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

17. FEES PAID TO AUDITORS

The total fees for all services paid by your Company and its Subsidiaries to M/s. PGS & Associates, Chartered Accountants, Statutory Auditors during 2020-21 is ₹ 5.00 Lakhs and estimated fees to be paid for 2021-22 shall be ₹ 5.00 Lakhs.

18. DISCLOSURE ON WEBSITE

Following information has been disseminated on the website of the Company at www.shaktipumps.com;

1. Details of business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;



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4. Code of Conduct for Board of Directors and Senior Management Personnel;
5. Details of establishment of vigil mechanism / Whistle Blower policy;
6. Criteria of making payments to Non-Executive Directors;
7. Policy on dealing with Related Party Transactions;
8. Policy for Determining Material Subsidiaries;
9. Details of Familiarisation Programmes imparted to Independent Directors;
10. Policy for Determination of Materiality of Events;
11. Policy for Dividend Distribution.

19. PLANT LOCATION: -

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

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

20. CREDIT RATING: -

- a) **Care Rating has revised its Rating for Bank Facilities on the basis of recent developments including operational and financial performance of the Company the revised credit rating for Long Term Bank Facilities updated to CARE A-; Stable (Single A Minus ; Outlook: Stable) from CARE BBB+; Positive (Triple B Plus; Outlook: Positive) For Long Term/ Short Term Bank Facilities updated to CARE A-; Stable/ CARE A2+ (Single A Minus; Outlook : Stable/ A Two Plus from CARE BBB+; Positive/ CARE A2 (Triple B Plus ; Outlook: Positive /A Two) and For, Short terms Bank Facilities updated to CARE A2+ (A Two Plus) from CARE A2 (A Two).**

21. GENERAL SHAREHOLDERS INFORMATION: -

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

| | |
|--------------|---|
| Day | : Wednesday |
| Date | : 29th September, 2021 |
| Time | : 12:30 P.M. |
| Venue | : Annual General Meeting through Video Conferencing /Other Audio Visual Means Facility Deemed Venue for Meeting: Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.- Dhar (M.P.). |

21.2 Financial Calendar 2021-22

Financial Reporting for the Quarter ending 30th June, 2021:-On or before 21st July 2021.

Financial Reporting for the Quarter ending 30th September, 2021:-On or before 14th November, 2021.

Financial Reporting for the Quarter ending 31st December, 2021:-On or before 14th February, 2022.

Financial Reporting for the Quarter ending 31st March, 2022-On or before 30th May, 2022.

21.3 Book Closure Date: -

From Thursday, 23rd September, 2021, to Wednesday, 29th September, 2021, (both days inclusive) for the purpose of Annual General Meeting.

21.4 Unclaimed Dividend: -

During the year, dividend amounting to ₹ 2,95,854/- that had not been claimed by the shareholders for the year ended 31st March, 2014 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 31st March, 2014.

The Company has appointed a Nodal Officer and Deputy Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at www.shaktipumps.com.

21882 Shares has been held with IEPF as on 31.03.2021.

a. Listing on the Stock Exchanges: -

Company's equity shares are listed on the following stock exchanges. The annual listing fee for the year 2020-21 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 |

b. **ISIN Code:** - INE908D01010.

c. **Custodial fee:** - The Company has paid the custodial fee to the NSDL and CDSL for 2021-22.

d. **Corporate Identification Number (CIN):**

-L29120MP1995PLC009327.

REPORT ON CORPORATE GOVERNANCE (Contd.)

e. **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 20 | 192.90 | 110.35 | 107114 |
| May 20 | 168.85 | 137.25 | 75634 |
| Jun 20 | 206.05 | 144.25 | 359420 |
| Jul 20 | 192.00 | 160.00 | 111262 |
| Aug 20 | 206.60 | 166.35 | 236280 |
| Sep 20 | 200.00 | 162.45 | 176825 |
| Oct 20 | 263.30 | 173.20 | 701569 |
| Nov 20 | 240.00 | 213.15 | 96397 |
| Dec 20 | 309.00 | 234.00 | 228671 |
| Jan 21 | 409.00 | 296.00 | 302065 |
| Feb 21 | 570.00 | 368.00 | 465268 |
| Mar 21 | 591.50 | 491.20 | 427188 |

b) National Stock Exchange of India Ltd.

| Month | Highest | Lowest | Total No. of Shares traded |
|--------|---------|--------|----------------------------|
| Apr 20 | 191.35 | 110.40 | 620041 |
| May 20 | 164.40 | 138.00 | 666237 |
| Jun 20 | 207.00 | 143.25 | 2929763 |
| Jul 20 | 192.00 | 161.10 | 455562 |

21.5 Shareholding as on 31st March, 2021: -

A. Distribution of Shareholding as on 31st March, 2021.

| Range of equity shares held | No. of Shareholders | % | Number of Shares | Face Value per equity shares (in ₹) | % of Shareholding |
|-----------------------------|---------------------|---------------|------------------|-------------------------------------|-------------------|
| Up to-5000 | 17392 | 91.83 | 1360090 | 13600900 | 7.40 |
| 5001-10,000 | 717 | 3.79 | 556314 | 5563140 | 3.03 |
| 10,001-20,000 | 370 | 1.95 | 560848 | 5608480 | 3.05 |
| 20,001-30,000 | 158 | 0.83 | 397456 | 3974560 | 2.16 |
| 30,001-40,000 | 74 | 0.39 | 270045 | 2700450 | 1.47 |
| 40,001-50,000 | 42 | 0.22 | 193533 | 1935330 | 1.05 |
| 50,001-1,00,000 | 92 | 0.49 | 673648 | 6736480 | 3.67 |
| 1,00,000 and Above | 94 | 0.50 | 14368222 | 14368220 | 78.17 |
| Total | 18939 | 100.00 | 18380156 | 183801560.00 | 100.00 |

B. Categories of Shareholding as on 31st March, 2021.

| S. N. | Category | Number of Shares holders | % of Shareholders | No. of Shares | % of Shareholding |
|-------|------------------------------------|--------------------------|-------------------|---------------|-------------------|
| 1 | Resident Individuals | 18285 | 96.55 | 5526087 | 30.07 |
| 2 | Non Resident Indians (Individuals) | 375 | 1.98 | 318408 | 1.73 |
| 3 | Corporate Bodies (Promoters) | 2 | 0.01 | 1450994 | 7.89 |
| 4 | Corporate Bodies | 136 | 0.72 | 1326879 | 7.22 |
| 5 | Directors (Promoters) | 2 | 0.01 | 5330300 | 29.00 |
| 6 | Directors | 1 | 0.01 | 76848 | 0.42 |

| Month | Highest | Lowest | Total No. of Shares traded |
|--------|---------|--------|----------------------------|
| Aug 20 | 206.70 | 165.00 | 1705748 |
| Sep 20 | 201.00 | 168.90 | 1099969 |
| Oct 20 | 263.35 | 176.80 | 4231905 |
| Nov 20 | 240.00 | 210.05 | 606064 |
| Dec 20 | 309.90 | 231.00 | 1196648 |
| Jan 21 | 409.80 | 296.00 | 1139971 |
| Feb 21 | 568.80 | 369.90 | 3814871 |
| Mar 21 | 593.55 | 457.50 | 2136729 |

21.4 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-sandeeps@adroitcorporate.com](mailto>Email-sandeeps@adroitcorporate.com)

Share transfer system: -

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

| S. N. | Category | Number of Shareholders | % of Shareholders | No. of Shares | % of Shareholding |
|--------------|--|------------------------|-------------------|-----------------|-------------------|
| 7 | Directors Relatives (Promoters) | 6 | 0.03 | 3266000 | 17.77 |
| 8 | Clearing Member | 111 | 0.59 | 66487 | 0.36 |
| 9 | CORPORATE BODY - BROKER | 2 | 0.01 | 26500 | 0.14 |
| 10 | Foreign Portfolio Investor | 11 | 0.06 | 110848 | 0.60 |
| 11 | Foreign Corporate Bodies | 1 | 0.01 | 418552 | 2.28 |
| 12 | Investor Education and Protection Fund | 1 | 0.01 | 21882 | 0.12 |
| 13 | Alternate Investment Fund | 6 | 0.03 | 440371 | 2.40 |
| Total | | 18917 | 100.00 | 18380156 | 100.00 |

C. Dematerialisation of Shares 31st March, 2021.

| S. N. | Mode of Holding | No. of Shareholders | No. of Shares | % age |
|--------------|-----------------|---------------------|-----------------|------------|
| 1 | CDSL | 9741 | 5334646 | 29.02 |
| 2 | NSDL | 9176 | 13010202 | 70.78 |
| 3 | Physical | 22 | 35308 | 0.19 |
| Total | | 18939 | 18380156 | 100 |

99.81% of the Company's Paid-up Equity Share Capital is dematerialised as on 31st March, 2021. Trading in Equity Shares of the Company is permitted only in dematerialised form.

21.6 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

21.7 Details of Compliance with mandatory requirements and adoption of non-mandatory requirements: -

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

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

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

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members

Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Plot No. 401, 402 & 413 Sector III Industrial Area
Pithampur M.P. 454774

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 2020-21. 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 authorised 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 | DIN | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1 | Mr. Sunil Manoharlal Patidar | 02561763 | 21/04/1995 |
| 2 | Mr. Dinesh Patidar | 00549552 | 30/01/2006 |
| 3 | Mr. Ramesh Patidar | 00931437 | 17/10/2006 |
| 4 | Mr. Navin Sunderlal Patwa | 01009404 | 18/01/2012 |
| 5 | Mrs. Nishtha Neema | 01743710 | 28/03/2015 |
| 6 | Mr. Pramod Kumar Bhavsar | 07825119 | 19/05/2017 |
| 7 | Mr. Keyur Bipinchandra Thaker | 08474827 | 11/06/2019 |

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2021.

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

Manish Maheshwari
Date : 20th July, 2021
Place : Indore
UDIN : F005174C000660026

Proprietor
FCS-5174
CP-3860



Corporate Overview



Statutory Reports



Financial Statements

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

{Under Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015}

To,

The Members,

SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327

Plot No. 401, 402 & 413 Sector III Industrial Area

Pithampur, (M.P.) - 454774

Dear Sir(s)/Madam,

We have examined the compliance of conditions of corporate governance by **SHAKTI PUMPS (INDIA) LIMITED**, ("the Company") for the year ended March 31,2021, as stipulated in relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, 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 explanations given to us and the representations made by the Directors and Management and consideration of the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID 19, pandemic, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

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

Date : 20th July, 2021

Place : Indore

UDIN : F005174C000660026

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: 17.05.2021

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, 2021 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 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, 2021, as envisaged under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Date: 17.05.2021
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 31st March, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion

thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|--|
| 1 | 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 32 to the Standalone Financial Statements | Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended 31st March, 2021 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 1st April, 2020 to evaluate whether any change was required to management's position on these uncertainties. |

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

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



INDEPENDENT AUDITOR'S REPORT (Contd.)

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, 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) In our opinion, the managerial remuneration for the year ended 31st March, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 32 of financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
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
UDIN: 21111592AAA CR1826**

Premal Gandhi

Partner

Place: Mumbai

Date: 17th May, 2021

Membership Number: 111592

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the financial statements for the year ended 31st March 2021.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 COMPANY 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 31st March 2021 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,



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

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 31st March 2021, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For PGS & Associates
Chartered Accountants**
Firm Registration Number: 122384W
UDIN: 21111592AAACR1826

Premal Gandhi
Partner
Place: Mumbai
Date: 17th May,2021
Membership Number: 111592

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 31st March 2021, 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 has been physically verified by the management during the year at reasonable interval. 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


ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS (Contd.)

been deposited on account of any dispute, are as follows.

| Name of Statute | Nature of Dues | Period in which the Amount relates (FY) | Amount Involved (₹ Lakhs) | Unpaid (₹ Lakhs) | Forum where the dispute is pending |
|----------------------|-------------------|---|---------------------------|------------------|---|
| Commercial Tax | Entry Tax | 2010-11 | 7.39 | 7.39 | M.P. High Court, Indore Bench |
| Commercial Tax | CST | 2010-11 | 0.91 | 0.12 | M.P. Commercial Tax Appellate Board, Bhopal |
| Commercial Tax | VAT & CST | 2012-13 | 12.07 | 3.27 | M.P. Commercial Tax Appellate Board, Bhopal |
| Commercial Tax | CST | 2014-15 | 9.99 | 7.49 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | CST | 2015-16 | 16.61 | 12.41 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | VAT & CST | 2016-17 | 30.17 | 20.80 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | CST | 2015-16 | 2.20 | 2.20 | Commercial Tax Department, Delhi |
| Commercial Tax | CST | 2015-16 | 0.04 | 0.04 | Commercial Tax Department, Ahmedabad |
| Commercial Tax | VAT & CST | 2015-16 | 3.53 | 3.53 | Commercial Tax Department, Pune |
| Commercial Tax | VAT & CST | 2016-17 | 3.39 | 3.39 | Commercial Tax Department, Pune |
| Commercial Tax | CST | 2016-17 | 0.12 | 0.12 | Commercial Tax Department, Vijaywada |
| Commercial Tax | CST | 2016-17 | 1.63 | 1.63 | Commercial Tax Department, Secundrabad |
| Commercial Tax | CST | 2017-18 | 6.34 | 6.34 | Commercial Tax Department, Secundrabad |
| Income Tax Act, 1961 | Income Tax | 2009-10 to 2011-12 | 1484.77 | 1189.60 | ITAT Appeal, Indore |
| Income Tax Act, 1961 | Income Tax | 2012-13 to 2016-17 | 2274.87 | 1820.00 | CIT Appeal, Bhopal |
| Customs Act, 1962 | DRI & Custom Duty | 2014-18 | 971.95 | 350.47 | CESTAT, New Delhi |

- 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

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS (Contd.)

- 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 non cash 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

UDIN: 21111592AAACR1826

Premal Gandhi

Partner

Place: Mumbai

Date: 17th May,2021

Membership Number: 111592



STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|---------------------------|---------------------------|
| I ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, Plant And Equipment | 3 | 11,943.04 | 12,475.83 |
| (b) Capital Work-In-Progress | 3 | 57.92 | 45.97 |
| (c) Intangible Assets | 4 | 421.88 | 388.73 |
| (d) Intangible Assets Under Development | 4 | 18.01 | 23.53 |
| (e) Financial Assets | | | |
| (i) Investments | 5.1 | 1,893.97 | 2,011.79 |
| (f) Non-Current Tax Assets (Net) | 6 | 1,734.43 | 1,215.44 |
| (g) Other Non-Current Assets | 7 | 156.79 | 480.28 |
| Total Non-Current Assets | | 16,226.04 | 16,641.57 |
| 2 Current Assets | | | |
| (a) Inventories | 8 | 11,655.04 | 12,869.00 |
| (b) Financial Assets | 9 | | |
| (i) Trade Receivables | 9.1 | 24,993.75 | 11,360.58 |
| (ii) Cash And Cash Equivalents | 9.2 | 1,630.38 | 461.17 |
| (iii) Bank Balance Other than Above | 9.3 | 1,968.89 | 3,167.56 |
| (iv) Other Financial Assets | 9.4 | 615.17 | 615.62 |
| (c) Current Tax Assets (Net) | 10 | - | 528.88 |
| (d) Other Current Assets | 11 | 5,452.93 | 4,733.72 |
| Total Current Assets | | 46,316.16 | 33,736.53 |
| Total Assets | | 62,542.20 | 50,378.10 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 1,838.02 | 1,838.02 |
| (b) Other Equity | 13 | 28,370.99 | 22,207.37 |
| Total Equity | | 30,209.01 | 24,045.39 |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | 14 | | |
| (i) Borrowings | 14.1 | 989.16 | 1,372.38 |
| (ii) Other Financial Liabilities | 14.2 | 43.75 | 47.11 |
| (b) Provisions | 15 | 563.06 | 562.35 |
| (c) Deferred tax liabilities (Net) | 16 | 1,136.83 | 135.74 |
| Total Non-Current Liabilities | | 2,732.80 | 2,117.58 |

**STANDALONE BALANCE SHEET
AS AT 31ST MARCH, 2021 (Contd.)**

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|--|----------|---------------------------|---------------------------|
| 2 Current liabilities | | | |
| (a) Financial Liabilities | 17 | | |
| (i) Borrowings | 17.1 | 7,067.52 | 15,604.64 |
| (ii) Trade payables | 17.2 | | |
| - Dues of Micro and Small Enterprise | | 5,751.60 | 2,448.94 |
| - Dues of Other than Micro and Small Enterprise | | 10,900.17 | 2,752.76 |
| (iii) Other Financial Liabilities | 17.3 | 4,521.31 | 2,097.66 |
| (b) Provisions | 18 | 17.03 | 34.79 |
| (c) Other Current Liabilities | 19 | 1,281.38 | 1,276.34 |
| (d) Current Tax Liabilities (Net) | 20 | 61.38 | - |
| Total Current Liabilities | | 29,600.39 | 24,215.13 |
| Total Equity and Liabilities | | 62,542.20 | 50,378.10 |
| 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 40 | | |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAACR1826

Place : Pithampur

Date : 17th May, 2021

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

Dinesh Patidar

Chairman and Managing Director
DIN:00549552

Ramesh Patidar

Executive Director
DIN:00931437

Dinesh Patel

Chief Financial Officer

Ravi Patidar

Company Secretary
M. No. ACS 32328



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | Note No. | 2020-21 | 2019-20 |
|---|----------|------------------|-------------------|
| I Revenue from Operations | 21 | 88,698.55 | 35,695.22 |
| II Other Income | 22 | 330.50 | 378.28 |
| III Total Revenue (I+II) | | 89,029.05 | 36,073.50 |
| IV Expenses | | | |
| Cost of Materials Consumed | 23 | 62,549.38 | 26,706.70 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | 24 | 2,011.16 | (2,143.90) |
| Employee Benefits Expenses | 25 | 4,105.03 | 5,045.65 |
| Finance Costs | 26 | 1,403.90 | 1,865.59 |
| Depreciation and Amortisation Expenses | 27 | 1,702.95 | 1,645.68 |
| Other Expenses | 28 | 7,935.63 | 5,881.92 |
| Total Expenses (IV) | | 79,708.05 | 39,001.64 |
| V Profit/(Loss) before Exceptional Items and Tax (III-IV) | | 9,321.00 | (2,928.14) |
| VI Exceptional Items | | - | - |
| VII Profit / (Loss) before Tax(V-VI) | | 9,321.00 | (2,928.14) |
| VIII Tax Expenses: | | | |
| (1) Current Tax | | 2,202.95 | - |
| (2) Short/Excess Provision of Tax | | - | 148.74 |
| (3) Deferred Tax | | 1,001.08 | (1,035.17) |
| IX Profit/(Loss) for the year (VII-VIII) | | 6,116.97 | (2,041.71) |
| X Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss Re-measurement gains / (loss) on defined benefit plans | | 71.37 | (53.72) |
| (ii) Income tax relating to items that will not be reclassified to profit / (loss) | | (24.70) | - |
| Total Comprehensive Income for the year (X) | | 46.67 | (53.72) |
| XI Total Comprehensive Income / Loss for the year (IX+X) | | 6,163.64 | (2,095.43) |
| XII Earnings per equity share [nominal value of share ₹ 10/-] | 29 | | |
| (1) Basic | | 33.28 | (11.11) |
| (2) Diluted | | 33.28 | (11.11) |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACR1826

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

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Ramesh Patidar

Executive Director

DIN:00931437

Place : Pithampur

Date : 17th May, 2021

Dinesh Patel

Chief Financial Officer

Ravi Patidar

Company Secretary

M. No. ACS 32328

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit & loss before tax as per profit & Loss Account | 9,321.00 | (2,928.14) |
| Adjusted For : | | |
| Depreciation and Amortisation Expense | 1,702.95 | 1,645.68 |
| Interest Income | (150.85) | (106.02) |
| Interest Expenses | 1,090.41 | 1,571.87 |
| Re-measurement (gains) / loss on defined benefit plans | 71.37 | (53.72) |
| Provision for Doubtful Debts/ Security Deposits | 61.25 | - |
| Unrealised Exchange (gains)/loss (net) | (10.18) | (41.61) |
| (Profit) /Loss on Investment in subsidiary (net) | 20.26 | - |
| (Profit) /Loss on sale of property, plant and equipment (net) | 2.67 | (27.21) |
| | 2,787.88 | 2,989.00 |
| Operating Profit Before Working Capital Changes | 12,108.88 | 60.86 |
| Adjusted For : | | |
| (Increase)/Decrease in Trade and Other Receivables | (14,021.63) | 7,967.15 |
| (Increase)/Decrease in Inventories | 1,213.96 | (1,375.80) |
| Increase/(Decrease) in Trade and other payables | 13,962.27 | (824.17) |
| | 1,154.59 | 5,767.17 |
| Net Cash Flow From Operating Activities | 13,263.47 | 5,828.03 |
| Income taxes (paid)/refund (net) | (2,156.38) | (543.44) |
| | (2,156.38) | (543.44) |
| Net Cash Flow From/(Used In) Operating Activities (A) | 11,107.09 | 5,284.59 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (1,199.96) | (1,573.37) |
| Purchase of Intangible Assets | (58.96) | (165.18) |
| Movement in Capital Work-in-Progress | (11.95) | (11.59) |
| Movement in Advance for Capital Goods | 0.73 | 85.66 |
| Sale of Fixed Assets | 58.48 | 135.09 |
| Disinvestment in Subsidiaries | 97.56 | (204.12) |
| Interest Received | 75.52 | 87.11 |
| (Deposits)/Redemption with banks | 1,198.66 | (1,829.84) |
| Net Cash Flow From/(Used In) Investing Activities (B) | 160.07 | (3,476.24) |



STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | 2,274.15 |
| Repayment of Long Term Borrowings | (477.44) | (1,790.85) |
| Proceeds/(Repayment) from Short Term Borrowings (Net) | (8,537.12) | 760.83 |
| Dividend Paid including tax thereon | - | (1,107.91) |
| Interest Paid | (1,083.39) | (1,627.71) |
| Net Cash Flow From/(Used In) Financing Activities (C) | (10,097.95) | (1,491.49) |
| Net Change in Cash & Cash Equivalents (A+B+C) | 1,169.21 | 316.87 |
| Cash & Cash Equivalents at the beginning of the year | 461.17 | 144.29 |
| Cash & Cash Equivalents at the end of the year | 1,630.38 | 461.17 |

Note :

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

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Cash in Hand | 3.34 | 2.37 |
| Balance with Scheduled Banks | 44.09 | 350.30 |
| Fixed Deposit with Maturity Less than three months | 1,582.95 | 108.51 |
| Total | 1,630.38 | 461.17 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No.: 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACR1826

Place : Pithampur

Date : 17th May, 2021

**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 31ST MARCH, 2021
CIN : L29120MP1995PLC009327

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|------------------------|------------------------|
| Equity Shares of ₹ 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 Lakhs)

| Particulars | Retained Earnings | | Capital Reserve | Securities Premium Reserve | Total Equity |
|---|--------------------------|-----------------|-----------------|----------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | | | |
| Balance as at 31st March, 2019 | 6,839.81 | 9,752.49 | 20.58 | 8,797.82 | 25,410.69 |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | (1,107.91) |
| Profit /(Loss) for the year | (2,041.71) | - | - | - | (2,041.71) |
| Other Comprehensive Income /(Loss) [Net of Taxes] | (53.72) | - | - | - | (53.72) |
| Balance as at 31st March, 2020 | 3,636.47 | 9,752.49 | 20.58 | 8,797.82 | 22,207.37 |
| Profit /(Loss) for the year | 6,116.97 | - | - | - | 6,116.97 |
| Other Comprehensive Income /(Loss) [Net of Taxes] | 46.67 | - | - | - | 46.67 |
| Balance as at 31st March, 2021 | 9,800.11 | 9,752.49 | 20.58 | 8,797.82 | 28,370.99 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACR1826

Place : Pithampur

Date : 17th May, 2021

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



SIGNIFICANT ACCOUNTING POLICIES & NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Subsequent costs

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

Disposal

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

Depreciation

Depreciation is calculated over the depreciable amount,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013 except in the cases mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

2.5 Intangible assets

Recognition and measurement

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

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

Subsequent measurement

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

Amortisation

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

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

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

- Computer Software : 15 years

2.6 Inventories

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Inventories of Finished Goods and Work-In-Progress

include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.7 Research and Development Expenditure

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

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

2.8 Foreign currencies transactions

Transactions and balances

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

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

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

2.9 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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;



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

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

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

2.11 Investment

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

2.12 Employee benefits

Short-term employee benefits

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

Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined contribution plans

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

2.13 Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.14 Income tax

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

Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets/liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

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

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

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

2.15 Provisions

A Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.16 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

- **Financial assets at amortised cost:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
- **Financial assets at fair value through other comprehensive income:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss:** At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in Equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The Company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- **Financial liabilities at amortised cost:** After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.
- **Financial liabilities at fair value through profit or loss:** which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2.17 Revenue Recognition

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

As per Ind AS 115 revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those

products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted net of returns, allowances, trade discounts and volume discounts and GST etc.

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

2.18 Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

2.19 Segment Reporting

SPIL is mainly engaged in the business of manufacturing of various types of Pumps & Motors. Operating segments are reporting in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM).

The Board of Directors of the group assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors which are identified as a CODM, consist of CMD, CFO & all other executive Directors.

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

2.20 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON - CURRENT ASSETS

3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | Other than Research and Development | | | | | | | | Research and Development | | | | | Right of use Asset-Leases | Total | Capital Work-In-Progress |
|---------------------------------|-------------------------------------|-----------|-------------------|---------------|-----------|----------------------|----------------|------------------|--------------------------|---------------|-----------|----------------------|------------------|---------------------------|-----------|--------------------------|
| | Freehold Land | Buildings | Plant & Machinery | Die and Tools | Computers | Furniture & Fixtures | Motor Vehicles | Office Equipment | Plant and Machinery | Die and Tools | Computers | Furniture & Fixtures | Office Equipment | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | | | | | | |
| As at 31st March, 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 |
| Additions | - | 40.83 | 294.43 | 898.75 | 26.71 | 25.75 | - | 107.84 | - | 55.33 | 26.27 | 2.69 | 7.00 | 56.34 | 1,541.93 | 11.59 |
| Sales/Disposals/Adjustments | - | 0.28 | 156.96 | 0.76 | 2.08 | 1.34 | - | 0.68 | - | - | - | - | 0.02 | - | 162.13 | - |
| As at 31st March, 2020 | 178.38 | 3,650.90 | 7,885.94 | 9,289.12 | 669.83 | 624.97 | 238.34 | 585.47 | 49.16 | 241.04 | 29.15 | 3.44 | 36.48 | 56.34 | 23,538.57 | 45.97 |
| Additions | - | 5.14 | 500.84 | 539.11 | 12.48 | 30.11 | 0.02 | 31.17 | - | 26.72 | 0.20 | - | 50.51 | - | 1,196.30 | 11.95 |
| Sales/Disposals/Adjustments | - | 0.11 | 108.96 | 1.51 | 37.03 | 0.02 | - | 0.02 | - | 0.12 | - | - | 0.11 | - | 147.88 | - |
| As at 31st March, 2021 | 178.38 | 3,655.93 | 8,277.82 | 9,826.72 | 645.28 | 655.07 | 238.36 | 616.62 | 49.16 | 267.64 | 29.35 | 3.44 | 86.89 | 56.34 | 24,586.99 | 57.92 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | | | | | | |
| As at 31st March, 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 | - |
| Charge for the Year | - | 94.50 | 484.44 | 820.07 | 62.87 | 52.21 | 22.63 | 49.37 | 3.11 | 25.29 | 3.37 | 0.30 | 3.29 | 0.94 | 1,622.39 | - |
| Sales/Disposals/Adjustments | - | 0.02 | 74.25 | 0.97 | 4.52 | 2.32 | - | 3.64 | - | - | - | - | 0.00 | - | 85.71 | - |
| As at 31st March, 2020 | - | 729.69 | 3,562.72 | 5,549.52 | 482.69 | 356.08 | 108.95 | 226.69 | 3.89 | 32.61 | 3.55 | 0.37 | 5.03 | 0.94 | 11,062.74 | - |
| Charge for the Year | - | 94.85 | 487.22 | 856.16 | 64.45 | 48.95 | 22.40 | 53.83 | 3.11 | 29.83 | 4.64 | 0.33 | 3.96 | 1.88 | 1,671.60 | - |
| Sales/Disposals/Adjustments | - | - | 49.20 | 1.40 | 38.80 | 0.18 | - | 0.87 | - | - | - | - | - | - | 90.48 | - |
| As at 31st March, 2021 | - | 824.55 | 4,000.74 | 6,404.28 | 508.34 | 404.84 | 131.41 | 279.64 | 7.00 | 62.46 | 8.19 | 0.69 | 8.99 | 2.81 | 12,643.95 | - |
| NET BLOCK VALUE | | | | | | | | | | | | | | | | |
| As at 31st March, 2020 | 178.38 | 2,921.21 | 4,323.22 | 3,739.60 | 187.13 | 268.90 | 129.39 | 358.78 | 45.27 | 208.43 | 25.60 | 3.07 | 31.45 | 55.41 | 12,475.83 | 45.97 |
| As at 31st March, 2021 | 178.38 | 2,831.38 | 4,277.08 | 3,422.44 | 136.94 | 250.23 | 106.95 | 336.98 | 42.16 | 205.17 | 21.16 | 2.75 | 77.90 | 53.53 | 11,943.04 | 57.92 |

- A. Property, plant and equipment pledged as security: Please refer details of security provided in Note No.14.1 & 17.1
- B. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 164.90 Lakhs as at 31st March, 2021 (₹ 4.67 Lakhs as at 31st March, 2020).
- C. 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.
- D. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment. (Refer accounting policies 2.7)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

| Particulars | Computer Software | Intangible Assets Under Development |
|---------------------------------|-------------------|-------------------------------------|
| GROSS CARRYING AMOUNT | | |
| As at 31st March, 2019 | 189.75 | 91.03 |
| Additions | 164.58 | 0.59 |
| Capitalised during the year | 68.09 | - |
| Sales/Disposals/Adjustments | - | 68.09 |
| As at 31st March, 2020 | 422.43 | 23.53 |
| Additions | 58.40 | 0.43 |
| Capitalised during the year | - | (5.96) |
| Sales/Disposals/Adjustments | (41.53) | - |
| As at 31st March, 2021 | 522.36 | 18.01 |
| ACCUMULATED AMORTISATION | | |
| As at 31st March, 2019 | 10.40 | - |
| Charge for the Year | 23.30 | - |
| Disposals/Adjustments | - | - |
| As at 31st March, 2020 | 33.70 | - |
| Charge for the Year | 31.35 | - |
| Disposals/Adjustments | (35.44) | - |
| As at 31st March, 2021 | 100.48 | - |
| NET BLOCK VALUE | | |
| As at 31st March, 2020 | 388.73 | 23.53 |
| As at 31st March, 2021 | 421.88 | 18.01 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON-CURRENT ASSETS

5. FINANCIAL ASSETS

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

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| INVESTMENTS IN SUBSIDIARIES : | | |
| (i) Equity Instrument of Subsidiaries | 1,893.95 | 2,011.77 |
| INVESTMENTS IN OTHERS : | | |
| (i) Equity Instrument of Others (in Cosmos Bank) | 0.02 | 0.02 |
| Total | 1,893.95 | 2,011.79 |

(a) Equity Instrument of Subsidiaries

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| 19,95,761 Shares of Shakti Energy Solution Pvt Ltd. (₹ 10 each) (As at 31st March, 2020, 19,95,761 shares) | 1,649.89 | 1,649.89 |
| 6 Shares of Shakti Pumps (FZE) (AED 1,50,000 each) (As at 31st March, 2020, 6 shares) | 156.56 | 156.56 |
| 65,000 Shares of Shakti Pumps USA LLC (USD 1 each) (As at 31st March, 2020, 65,000 shares) | 33.32 | 33.32 |
| Nil Shares of Shakti Pumps Pty Limited (AUD 1 each) (As at 31st March, 2020, 2,40,000 shares) | - | 117.82 |
| 41,000 Shares of Shakti Pumps (Bangladesh) Limited (Taka 100 each) (As at 31st March, 2020, 41,000 shares) | 37.27 | 37.27 |
| Investment in Shakti Pumps (Shanghai) Limited | 16.92 | 16.92 |
| Total | 1,893.95 | 2,011.77 |

Note:

During the year, The company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective date of closure is 15th March, 2021. The Company has been recognised related loss of ₹ 20.26 lakhs.

6. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Net Income Tax Assets | 1,734.43 | 1,215.44 |
| Total | 1,734.43 | 1,215.44 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (UNSECURED, CONSIDERED GOOD) | | |
| (i) Capital Advances | 21.22 | 21.95 |
| (ii) Balances with Government Authorities | 416.07 | 657.87 |
| Less: Provision for Doubtful Assets | (280.49) | (199.54) |
| Total | 156.79 | 480.28 |

CURRENT ASSETS

8. INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|---------------------------|---------------------------|
| (i) Raw Material | 5,052.65 | 4,559.80 |
| (ii) Packing Material & Consumables | 175.27 | 248.50 |
| (iii) Work In Process | 2,887.23 | 2,640.10 |
| (iv) Finished Goods | 3,162.31 | 5,095.87 |
| (v) Stock in Transit | 377.59 | 324.73 |
| Total | 11,655.04 | 12,869.00 |

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 Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (UNSECURED, AT AMORTISED COST) | | |
| (i) Considered good | 24,993.75 | 11,360.58 |
| (ii) Considered doubtful | 27.51 | 9.00 |
| Less : Provision for expected credit Loss | (27.51) | (9.00) |
| Total | 24,993.75 | 11,360.58 |

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 180 days.
- 3 Related party transactions & balance {Refer note no. 36}

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

9.2 Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Cash In Hand | 3.34 | 2.37 |
| (ii) Balance with Scheduled Banks : | | |
| (a) In current Accounts | 44.09 | 350.30 |
| (b) Fixed Deposit with Maturity less than 3 months | 1,582.95 | 108.51 |
| Total | 1,630.38 | 461.17 |

9.3 Other Bank Balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------|---------------------------|---------------------------|
| (i) In Fixed Deposit Accounts | 1,951.52 | 3,147.75 |
| (ii) Unclaimed Dividend | 17.37 | 19.81 |
| Total | 1,968.89 | 3,167.56 |

Notes:

- Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.
- The Company can utilise the balance of unclaimed dividend towards settlement of unclaimed dividend.

CURRENT ASSETS

9.4 Other Financial Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (Unsecured- considered good) | | |
| (i) Security Deposits | 509.72 | 585.50 |
| (ii) Interest Receivable on Fixed Deposits with Bank | 105.45 | 30.12 |
| Total | 615.17 | 615.62 |

10. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| (i) Net Income Tax Assets | - | 528.88 |
| Total | - | 528.88 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

11. OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|---------------------------|---------------------------|
| (Unsecured- considered good) | | |
| (i) Prepaid Expenses | 310.63 | 264.79 |
| (ii) Advance to Suppliers | 275.12 | 145.36 |
| (iii) Statutory and Other Receivables | 4,867.18 | 4,323.57 |
| Total | 5,452.93 | 4,733.72 |

NON-CURRENT LIABILITIES

12. SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised : | | | | |
| Equity Shares of ₹ 10/- each | 25,000,000 | 2,500.00 | 25,000,000 | 2,500.00 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | 1,500,000 | 1,500.00 | 1,500,000 | 1,500.00 |
| Total | 26,500,000 | 4,000.00 | 26,500,000 | 4,000.00 |
| Issued & Subscribed : | | | | |
| Equity shares of ₹ 10/- each | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | - | - | - | - |
| Total | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| Paid Up Capital : | | | | |
| Equity Shares of ₹10/- each | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | - | - | - | - |
| Total | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

12.1 Terms/rights attached to the equity shares :

- (i) The Company has only one class of equity shares having a par value of ₹. 10/- per share.
- (ii) Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- (iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

12.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(i) Equity Shares :

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance as at the beginning of the year | 18,380,156 | 1,838.02 | 18,380,156 | 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 | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

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

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Mr. Dinesh Patidar | 37,68,100 | 20.50% | 36,85,000 | 20.05% |
| Mr. Sunil Patidar | 15,62,200 | 8.50% | 15,62,200 | 8.50% |
| Mr. Ankit Patidar | 15,00,000 | 8.16% | 15,00,000 | 8.16% |
| AF Holdings | 4,18,552 | 2.28% | 16,36,363 | 8.90% |
| Shakti Irrigation India Limited | 9,32,000 | 5.07% | - | - |

13. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Retained Earnings | | Capital Reserve | Securities Premium Reserve | Total |
|--|--------------------------|-----------------|-----------------|----------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | | | |
| Balance as at 31st March, 2019 | 6,839.81 | 9,752.49 | 20.58 | 8,797.82 | 25,410.69 |
| Add/(Less): | | | | | |
| Appropriations/Adjustments : | | | | | |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | (1,107.91) |
| Profit /(Loss) for the year | (2,041.71) | - | - | - | (2,041.71) |
| Other Comprehensive Income /(Loss) [Net of Taxes] | (53.72) | - | - | - | (53.72) |
| Balance as at 31st March, 2020 | 3,636.47 | 9,752.49 | 20.58 | 8,797.82 | 22,207.37 |
| Add/(Less): | | | | | |
| Appropriations/Adjustments : | | | | | |
| Profit /(Loss) for the year | 6,116.97 | - | - | - | 6,116.97 |
| Other Comprehensive Income /(Loss) [Net of Taxes] | 46.67 | - | - | - | 46.67 |
| Balance as at 31st March, 2021 | 9,800.11 | 9,752.49 | 20.58 | 8,797.82 | 28,370.99 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON-CURRENT LIABILITIES

14. FINANCIAL LIABILITIES

14.1 Non Current Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Term Loans: | | |
| (i) Term Loan from Bank | | |
| Rupee Loan | 702.68 | 948.70 |
| Foreign Currency Loan | 977.87 | 1,163.75 |
| Other: | | |
| (ii) Vehicle Loan from Bank | 7.24 | 52.78 |
| Less: Current Maturities of Long Term Borrowings | (698.63) | (792.85) |
| Total | 989.16 | 1,372.38 |

- (a) Interest rate of the above loan in range between 6.00 % to 10.20%
- (b) Borrowings from banks are secured by way of :-
 - (i) First parri passu charge on both present and/or future, movable & immovable property, plant & equipments.
 - (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (c) Amount payable during next 12 months, disclosed under the head "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 Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------|---------------------------|---------------------------|
| (i) Within One year | 698.63 | 792.85 |
| (ii) Two to Five years | 989.16 | 1,372.38 |
| Total | 1,687.79 | 2,165.23 |

14.2 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------|---------------------------|---------------------------|
| Lease Liability Payable | 43.75 | 47.11 |
| Total | 43.75 | 47.11 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Disclosures as required by Ind AS 116 'Lease' are stated below

(a) Lease Liability Movement

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Opening Balance /Transaction Adjustment | 47.11 | - |
| Add: Addition during the year | 2.57 | 49.68 |
| Interest on lease liability | 5.05 | 2.92 |
| Less: Lease rental payments | (5.49) | (5.49) |
| Total | 49.24 | 47.11 |

(b) Maturity analysis of lease liability :

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Not later than one year | 5.49 | 1.66 |
| Later than one year but not later than five years | 21.96 | 6.62 |
| Later than five years | 21.79 | 38.83 |
| Total | 49.24 | 47.11 |

15. PROVISIONS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 508.86 | 502.52 |
| (ii) Leave Encashment | 54.21 | 59.82 |
| Total | 563.06 | 562.35 |

{Refer provision for employee benefits note no. 34}

16. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Tax effect of items constituting deferred tax liabilities: | | |
| (i) Property, Plant and Equipment | 1,136.83 | 135.74 |
| Total | 1,136.83 | 135.74 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

CURRENT LIABILITIES

17. FINANCIAL LIABILITIES

17.1 Current Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Secured | | |
| Loans Repayable on Demand from Banks: | | |
| Rupee Loans | 5,011.49 | 12,565.19 |
| (ii) Unsecured | | |
| Loans Repayable on Demand from Banks: | | |
| Rupee Loans | 2,056.03 | 2,039.45 |
| Loans Repayable on Demand from Others: | | |
| Rupee Loans | - | 1,000.00 |
| Total | 7,067.52 | 15,604.64 |

- (a) Interest rate of the above loan in range between 4.90% to 8.75%
- (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.

17.2 Trade payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Dues to Micro, Small and Medium Enterprises | 5,751.60 | 2,448.94 |
| (ii) Dues to other than Micro, Small and Medium Enterprises | 10,900.17 | 2,752.76 |
| Total | 16,651.77 | 5,201.70 |

Related party transactions & balance {Refer note no. 36}

Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : ₹ 5751.60 Lakhs Previous Year : ₹ 2448.94 . 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 Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Principal amount due and remaining unpaid | 5,751.60 | 2,448.94 |
| (ii) Interest paid | - | - |
| (iii) Interest due | - | - |
| (iv) Interest accrued and due | - | - |
| (v) Interest due and remaining unpaid | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

17.3 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Current Maturities of Long Term Borrowings | 698.63 | 792.85 |
| (ii) Unclaimed Dividend * | 17.37 | 19.81 |
| (iii) Security Deposits Payable | 93.88 | 99.98 |
| (iv) Creditors for Service & Others | 1,286.35 | 403.61 |
| (v) Lease Liability Payable | 5.49 | - |
| (vi) Other Payables : | | |
| - Employee Dues | 297.24 | 359.30 |
| - Others | 2,122.33 | 422.12 |
| Total | 4,521.31 | 2,097.66 |

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

(a) Current Maturities of Long Term Debt

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------|---------------------------|---------------------------|
| (i) Term Loan from Banks | 691.39 | 769.03 |
| (ii) Vehicle Loan from Banks | 7.24 | 23.82 |
| Total | 698.63 | 792.85 |

18. PROVISIONS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 13.42 | 21.83 |
| (ii) Leave Encashment | 3.61 | 12.96 |
| Total | 17.03 | 34.79 |

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------|---------------------------|---------------------------|
| (i) Advance from Customers | 1,122.52 | 855.92 |
| (ii) Other Payables | 72.09 | 362.42 |
| (iii) Duties and Taxes payable | 86.76 | 58.00 |
| Total | 1,281.38 | 1,276.34 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

20. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| (i) Provision for Income Tax (Net) | 61.38 | - |
| Total | 61.38 | - |

REVENUE FROM OPERATION

21. SALE OF PRODUCTS

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|------------------------------|------------------|------------------|
| (i) Domestic Sales | 71,368.55 | 23,988.19 |
| (ii) Export Sales | 15,615.59 | 10,420.34 |
| (iii) Other Operating Income | 1,714.42 | 1,286.69 |
| Total | 88,698.55 | 35,695.22 |

(A) OTHER OPERATING INCOME INCLUDES :

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-----------------------------|-----------------|-----------------|
| (i) Export Benefits | 389.72 | 311.18 |
| (ii) Scrap Sales | 1,242.62 | 960.63 |
| (iii) Income from Services | 62.79 | - |
| (iv) Other Operating Income | 19.28 | 14.89 |
| Total | 1,714.42 | 1,286.69 |

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

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

- (i) Revenue disaggregation by Product Type: Pumps and Motors.
- (ii) Revenue disaggregation by Customer Type is as follows:

(₹ in Lakhs)

| Customer Type | 2020-21 | 2019-20 |
|-------------------------------------|------------------|------------------|
| Customers under Government Projects | 54,226.53 | 12,195.24 |
| Industrial Customers | 1,747.87 | 1,864.33 |
| OEM Customers | 8,590.04 | 4,606.00 |
| Export Customers | 15,615.59 | 10,420.34 |
| Other Customers | 8,518.53 | 6,609.31 |
| Total | 88,698.55 | 35,695.22 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

22. OTHER INCOME

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---------------------|---------------|---------------|
| (i) Interest Income | 150.85 | 106.02 |
| (ii) Rent Received | 13.31 | 11.27 |
| (iii) Others | 166.34 | 261.00 |
| Total | 330.50 | 378.28 |

EXPENSES

23. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

| Customer Type | 2020-21 | 2019-20 |
|-------------------------------------|------------------|------------------|
| Opening Stock of Raw Material | 4,808.30 | 5,576.40 |
| Add: Purchase of Raw Material | 63,346.59 | 25,938.59 |
| | 68,154.88 | 31,514.99 |
| Less: Closing Stock of Raw Material | 5,605.50 | 4,808.30 |
| Total | 62,549.38 | 26,706.70 |

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

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-------------------------------------|-----------------|-------------------|
| Inventories (at Close) | | |
| (i) Finished Goods/Stock-In-Trade | 3,162.31 | 5,420.60 |
| (ii) Work-In-Progress | 2,887.23 | 2,640.10 |
| Total | 6,049.54 | 8,060.70 |
| Inventories (at Opening) | | |
| (i) Finished Goods/Stock-In-Trade | 5,420.60 | 3,379.70 |
| (ii) Work-In-Progress | 2,640.10 | 2,537.10 |
| Total | 8,060.70 | 5,916.80 |
| Changes in Inventories (A-B) | 2,011.16 | (2,143.90) |

25. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| (i) Salaries, Wages and Bonus | 3,776.71 | 4,585.78 |
| (ii) Contribution to Provident and Other Funds | 227.46 | 256.39 |
| (iii) Staff Welfare Expenses | 100.87 | 203.48 |
| Total | 4,105.03 | 5,045.65 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

26. FINANCE COST

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-----------------------------|-----------------|-----------------|
| (i) Interest to Bank | 1,083.86 | 1,565.27 |
| (ii) Interest to Other | 6.54 | 6.59 |
| (iii) Other Borrowing Costs | 313.50 | 293.73 |
| Total | 1,403.90 | 1,865.59 |

27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-------------------|-----------------|-----------------|
| (i) Depreciation | 1,669.72 | 1,621.46 |
| (ii) Amortisation | 33.22 | 24.23 |
| Total | 1,702.95 | 1,645.68 |

28. OTHER EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| (i) Power & Fuel | 196.20 | 230.89 |
| (ii) Job Work Expenses | 82.88 | 116.39 |
| (iii) Clearing & Forwarding Charges | 86.67 | 180.75 |
| (iv) Freight Charges | 599.60 | 645.43 |
| (v) Travelling Expenses | 93.26 | 843.61 |
| (vi) Advertisement Expenses | 107.99 | 221.70 |
| (vii) ECGC Premium | 28.15 | 20.80 |
| (viii) Selling & Distribution Expenses | 3,890.19 | 1,686.52 |
| (ix) Legal, Professional and Consultancy charges | 207.82 | 272.88 |
| (x) Rent | 2.19 | 14.36 |
| (xi) Manufacturing Expenses | 712.96 | 354.71 |
| (xii) Auditors Remuneration | 5.00 | 5.00 |
| (xiii) Corporate Social Responsibility Expenses | 114.76 | 25.01 |
| (xiv) Rates and taxes | 180.51 | 277.15 |
| (xv) Repair & Maintenance | 106.95 | 72.91 |
| (xvi) Conveyance Expenses | 205.74 | 250.11 |
| (xvii) Communication Expenses | 125.28 | 106.16 |
| (xviii) Directors Remuneration | 905.16 | 359.10 |
| (xix) Office & Administrative Expenses | 120.57 | 125.64 |
| (xx) Bad Debts Written off | 2.63 | 20.71 |
| (xxi) Provision for Doubtful Debts | 61.25 | - |
| (xxii) Donations and Contributions | 25.00 | 2.35 |
| (xxiii) Software Maintenance Expenses | 49.95 | 47.56 |
| (xxiv) Miscellaneous Expenses | 24.92 | 2.18 |
| Total | 7,935.63 | 5,881.92 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)
28.1 Payment To Auditors

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---------------------------|----------------|----------------|
| (i) For Audit | 5.00 | 5.00 |
| (ii) For Taxation Matters | - | - |
| (iii) For Other Services | - | - |
| Total | 5.00 | 5.00 |

28.2 Corporate Social Responsibility Expenses

(₹ in Lakhs)

| Nature of expenditure | 2020-21 | 2019-20 |
|---|----------------|----------------|
| (i) Initiative for Moral & Cultural Training Foundation | - | 0.40 |
| (ii) School Fees of poor childs thru Shakti Foundation | - | 11.00 |
| (iii) Donation to Shakti Foundation | 83.23 | - |
| (iv) Other Donations (i.e. School/Jila Collector) | 26.00 | 1.00 |
| (v) Covid - 19 Expenses | 0.63 | - |
| (vi) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple | 4.90 | 12.61 |
| Total | 114.76 | 25.01 |

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR for the year 2020-21 is ₹ 114.76 (31st March, 2020, ₹ 44.17 Lacs).

29. EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---|-----------------|-------------------|
| Profit / (Loss) for the year as per Statement of Profit and Loss | 6,116.97 | (2,041.71) |
| Weighted Average Number of Shares | 1,83,80,156 | 1,83,80,156 |
| Face Value of Share (₹) | 10.00 | 10.00 |
| Basic Earning Per Share | 33.28 | (11.11) |
| Diluted Earning Per Share | 33.28 | (11.11) |

30. PROPOSED DIVIDEND

A dividend at the rate of 80% i.e. ₹ 8/- per equity share is recommended by the Board of Directors at their meeting held on 17th May, 2021 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

31. RESEARCH & DEVELOPMENT

(₹ in Lakhs)

| Nature of expenditure | 2020-21 | 2019-20 |
|-----------------------------------|---------------|---------------|
| (i) Capital Expenditure | 77.32 | 91.28 |
| (ii) Revenue Expenditure | 253.06 | 302.38 |
| Total Expenditure Incurred | 330.38 | 393.67 |
| Less: Income Earned by R&D | 0.25 | - |
| Net Expenditure Incurred | 330.13 | 393.67 |

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)

32. CONTINGENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Bank Guarantee Outstanding | 7,944.04 | 8,612.83 |
| (ii) Unexpired Letter of Credit | 6,834.21 | 1,120.23 |
| (iii) Commercial Tax Demand under Dispute | 94.38 | 188.38 |
| (iv) Income Tax Demand Under Dispute | 3,759.64 | 3,759.64 |
| (v) Corporate Guarantee Outstanding | 2,350.00 | 2,535.00 |
| (vi) Custom Duty Demand Under Dispute | 971.95 | 654.15 |
| Less: Provision for Doubtful Assets | (280.49) | (199.54) |
| Total | 21,673.73 | 16,670.70 |

33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|--------------|---------------|
| (i) Exhibition & Promotional Expenses | - | 13.17 |
| (ii) Travelling Expenses | 8.45 | 238.00 |
| (iii) Advertisement Expenses | 1.58 | - |
| (iv) Commission on Sales | 20.33 | 14.66 |
| (v) Software Development Expenses | 12.18 | 11.61 |
| (vi) Legal, Professional and Consultancy charges | 0.55 | 0.27 |
| (vii) Testing Charges | 5.77 | 6.01 |
| Total | 48.84 | 283.72 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

34. EMPLOYEE BENEFIT OBLIGATIONS

34.1 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 Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|---------------|---------------|
| Employers Contribution to Provident Fund/ Pension Fund | 125.53 | 147.85 |
| Employers Contribution to ESIC | 4.32 | 7.46 |
| Total | 129.85 | 155.31 |

34.2 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 Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Present value of obligation at the end of year | 57.82 | 72.78 | 542.28 | 567.54 |
| Fair value of plan assets at the end of year | - | - | 20.00 | 43.19 |
| Net liability recognized in the Balance Sheet | 57.82 | 72.78 | 522.28 | 524.35 |

The amounts recognized in the Statement of Profit and Loss are as follows:

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|---|------------------|--------------|--------------|--------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Current Service Cost | 9.24 | 15.04 | 52.34 | 64.12 |
| Interest Cost | 4.93 | 4.69 | 35.09 | 32.36 |
| Past Service Cost | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Recognized Net Actuarial (Gain)/ Loss | (23.53) | 0.64 | - | - |
| Total, included in Employee Benefit Expenses | (9.35) | 20.37 | 87.43 | 96.48 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Defined benefit obligation at beginning of the year | 72.78 | 59.82 | 567.54 | 443.50 |
| Current Service Cost | 9.24 | 15.04 | 52.34 | 64.12 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 4.93 | 4.69 | 38.48 | 34.77 |
| Benefits Paid | (5.61) | (7.41) | (43.62) | (30.01) |
| Actuarial (Gain)/ Loss | (23.53) | 0.64 | (72.46) | 55.16 |
| Defined benefit obligation at the end of the year | 57.82 | 72.78 | 542.28 | 567.54 |

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|---------|----------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| (i) Discount Rate | 7.09% | 6.78% | 7.09% | 6.78% |
| (ii) Salary Escalation Rate | 6.00% | 6.00% | 6.00% | 6.00% |
| (iii) Expected Rate of Return on Plan Assets | None | None | 7.84% | 7.44% |

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--------------------------|------------------|----------|----------|----------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| (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 Lakhs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2021 | 100 Basis Points | (72.11) | 87.81 |
| | 2020 | 100 Basis Points | (76.95) | 94.05 |
| (ii) Salary Growth Rate | 2021 | 100 Basis Points | 87.89 | (73.41) |
| | 2020 | 100 Basis Points | 93.83 | (78.13) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

LEAVE ENCASHMENT :

(₹ In Lakhs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2021 | 100 Basis Points | (7.69) | 9.46 |
| | 2020 | 100 Basis Points | (10.83) | 13.47 |
| (ii) Salary Growth Rate | 2021 | 100 Basis Points | 9.47 | (7.83) |
| | 2020 | 100 Basis Points | 13.44 | (11.00) |

Gratuity :

(₹ In Lakhs)

| Expected Cash Flow for the Next Ten Years | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Year 2021 | - | 22.32 |
| Year 2022 | 13.86 | 14.69 |
| Year 2023 | 38.84 | 42.43 |
| Year 2024 | 26.79 | 31.42 |
| Year 2025 | 21.88 | 26.80 |
| Year 2026 | 33.48 | - |
| Year 2026 - 2030 | - | 318.93 |
| Year 2027 - 2031 | 295.85 | - |

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.

35. INCOME TAX EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-------------------|-----------------|
| (i) Profit or Loss Section | | |
| Current Tax Expenses | 2,202.95 | - |
| (Short)/Excess provision for tax relating to prior period | - | 148.74 |
| Deferred Tax | 1,001.08 | (1,035.17) |
| Total Income Tax Expenses Recognised in Statement of Profit & Loss | 3,204.03 | (886.43) |
| (ii) Other Comprehensive Income (OCI) Section | | |
| Income tax charged to OCI | 24.70 | - |
| (iii) Reconciliation of Effective Tax Rate | | |
| A) (Loss)/Profit before income tax expense | 9,321.00 | (2,928.14) |
| B) Enacted Tax Rate In India | 34.94% | 34.94% |
| C) Expected Tax Expenses | 3,257.13 | (1,023.21) |
| D) Tax Effect of : | | |
| - Difference Between Book Depreciation And Tax Depreciation | 130.80 | (79.86) |
| - Deduction on account of Research and Development Expenses | (77.32) | (290.11) |
| - Other Provisions/Deferred tax assets (reversed)/created on losses and others | (3,070.22) | 3,298.11 |
| E) Net Adjustment | (3,016.74) | 2,928.14 |
| F) Tax Expenses/(Saving) on Net Adjustment (E*B) | (1,054.17) | 1,023.21 |
| G) Current Tax Expenses Recognised in Statement of Profit & Loss (C+F) | 2,202.96 | - |
| H) Excess / (Short) Provision for tax relating to prior year | - | 148.74 |
| I) Changes on Account of Deferred Tax | 1,001.08 | (1,035.17) |
| Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I) | 3,204.03 | (886.43) |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. RELATED PARTY DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 IS AS BELOW :

(i) List of Related Parties and Relationships

S. Description of Relationship & Name of Related Party :

No.

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) Vintex Tools Pvt. Ltd.
- (iii) Arsh Industrial Solutions Pvt. Ltd.
- (iv) Shakti Irrigation Pvt. Ltd.
- (v) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

4 Key Managerial Personnel :

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

(ii) Transaction with Related Parties :

(₹ in Lakhs)

| S. No | Name of Party | Nature of Transaction | 2020-21 | 2019-20 |
|--------------|------------------------------------|--|----------------|----------------|
| 1 | Shakti Pumps LLC, USA | Sale of Pump & Motors | 1,435.45 | 946.10 |
| 2 | Shakti Pumps FZE, UAE | Sale of Pump & Motors | 6,762.17 | 4,573.07 |
| | | Purchase of Pump & Motors | 0.76 | 226.99 |
| 3 | Shakti Pumps Pty Ltd., Australia | Sale of Pump & Motors | 1.54 | 7.10 |
| | | Purchase of Pump & Motors | - | 73.56 |
| 4 | Shakti Pumps (Shanghai) Ltd, China | Purchase of Raw material | 46.61 | 238.01 |
| 5 | Shakti Energy Solutions Pvt. Ltd. | Purchase of Solar System | 6,767.32 | 2,005.44 |
| | | Purchase of Asset | 6.05 | 3.74 |
| | | Sale of Pump & Motors | 33.06 | 189.63 |
| | | Sales of Asset | 1.33 | 0.89 |
| 6 | Shakti Irrigation India Ltd. | Purchase of Components | 1,234.36 | 861.51 |
| | | Purchase of Asset | 2.02 | 0.12 |
| | | Sales of Pumps & Motors & other material | 77.54 | 25.05 |
| | | Sale of Assets | 0.11 | 11.07 |
| 7 | Vintex Tools Pvt. Ltd. | Purchase of Dies & Other material | 101.14 | 958.57 |
| | | Purchase of Asset | 826.94 | - |
| | | Sale of Assets | - | 449.07 |
| | | Sales of Spare parts | 12.40 | 16.65 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

| S. No | Name of Party | Nature of Transaction | 2020-21 | 2019-20 |
|----------|--|--|----------|---------|
| 8 | Arsh Industrial Solutions Pvt. Ltd. | Purchase of Nuts & Bolts | 986.63 | 546.16 |
| | | Purchase of Assets | 19.24 | - |
| | | Sales of Asset | 47.20 | 74.26 |
| | | Sale of Spare Parts | 352.09 | 448.63 |
| 9 | Shakti Irrigation Pvt. Ltd. | Purchase of Pipes | 1,849.77 | 852.98 |
| | | Sales of Pumps, Motors & other material | 5.19 | 0.23 |
| | | Sales of Asset | - | 1.26 |
| | | Income from Rent | 13.31 | 11.27 |
| 10 | SPIL Energy LLP (Earlier known as "SPIL Energy Limited") | Purchase of Pumps, Motors & other material | - | 11.60 |
| 11 | Mr. Dinesh Patidar | Remuneration | 450.00 | 312.03 |
| | | Sales Incentives | 406.05 | - |
| 12 | Mr. Sunil Patidar | Remuneration | 9.65 | 12.00 |
| | | Other Allowances | 0.60 | 0.87 |
| 13 | Mr. Ramesh Patidar | Remuneration | 32.33 | 32.55 |
| | | Sales Incentives | 5.00 | 7.50 |
| | | Other Allowances | 1.53 | 1.65 |

(iii) Related Party Balance :

(₹ In Lakhs)

| S. No | Nature | Name of Party | As at 31st March, 2021 | As at 31st March, 2020 |
|----------|------------------------|--|---------------------------|---------------------------|
| 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 |
| | | Shakti Pumps (Shanghai) Ltd., China | 16.92 | 16.92 |
| | | Shakti Pumps (Bangladesh) Ltd., Bangladesh | 37.27 | 37.27 |
| | | Shakti Energy Solutions Pvt. Ltd. | 1,649.89 | 1,649.89 |
| 2 | Trade Receivables | Shakti Pumps FZE, UAE | 860.27 | - |
| | | Shakti Irrigation India Ltd. | 48.80 | 42.20 |
| | | Vintex Tools Pvt. Ltd. | - | 14.11 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 66.31 | 270.33 |
| | | Shakti Irrigation Pvt. Ltd. | 0.39 | - |
| 3 | Trade Payables | Shakti Pumps FZE, UAE | 197.15 | 197.15 |
| | | Shakti Pumps Pty Ltd., Australia | - | 70.85 |
| | | Shakti Energy Solutions Pvt. Ltd. | 789.67 | 191.96 |
| | | Shakti Irrigation India Ltd. | 70.57 | 184.49 |
| | | Vintex Tools Pvt. Ltd. | 1,009.60 | 263.93 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 321.17 | 166.00 |
| 4 | Advance from Customers | Shakti Irrigation Pvt. Ltd. | 302.45 | 68.75 |
| | | Shakti Pumps LLC, USA | 934.35 | 524.31 |
| | | Shakti Pumps FZE, UAE | - | 149.28 |
| 5 | Advance to Vendor | Shakti Pumps Pty Ltd., Australia | - | 12.11 |
| | | Shakti Pumps (Shanghai) Ltd, China | 0.30 | 8.30 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

37. 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 Lakhs)

| Financial Instruments by category | Carrying Value | | Fair Value | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,599.27 | 3,628.73 | 3,599.27 | 3,628.73 |
| Other Financial Assets | 615.17 | 615.62 | 615.17 | 615.62 |
| Trade Receivables | 24,993.75 | 11,360.58 | 24,993.75 | 11,360.58 |
| Total | 29,208.19 | 15,604.92 | 29,208.19 | 15,604.92 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 16,651.77 | 5,201.70 | 16,651.77 | 5,201.70 |
| Borrowings | 8,755.31 | 17,769.87 | 8,755.31 | 17,769.87 |
| Other Financial Liabilities | 3,866.43 | 1,351.92 | 3,866.43 | 1,351.92 |
| Total | 29,273.52 | 24,323.50 | 29,273.52 | 24,323.50 |

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(₹ In Lakhs)

| Particulars | As at 31st March, 2021 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,599.27 | - | - | 3,599.27 |
| Other Financial Assets | 615.17 | - | - | 615.17 |
| Trade Receivables | 24,993.75 | - | - | 24,993.75 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 16,651.77 | - | - | 16,651.77 |
| Borrowings | 8,755.31 | - | - | 8,755.31 |
| Other Financial Liabilities | 3,866.43 | - | - | 3,866.43 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ In Lakhs)

| Particulars | As at 31st March, 2020 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,628.73 | - | - | 3,628.73 |
| Other Financial Assets | 615.62 | - | - | 615.62 |
| Trade Receivables | 11,360.58 | - | - | 11,360.58 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 5,201.70 | - | - | 5,201.70 |
| Borrowings | 17,769.87 | - | - | 17,769.87 |
| Other Financial Liabilities | 1,351.92 | - | - | 1,351.92 |

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 equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt equity ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.
- (iv) Debt Equity Ratio ratio is as follows:

(₹ In Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 | |
|--------------------------------|---------------------------|---------------------------|-------------|
| | | | |
| Debt (A) | 8,755.31 | 17,769.87 | |
| Equity (B) | 30,209.01 | 24,045.39 | |
| Debt Equity Ratio (A/B) | 0.29 | | 0.74 |

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 Lakhs)

| Exposure to Risk | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|---------------------------|---------------------------|
| Interest bearing borrowings: | | |
| On Demand | 5,011.49 | 12,565.19 |
| Less than 180 Days | 2,405.35 | 3,435.87 |
| 181-365 Days | 349.32 | 396.42 |
| More than 365 Days | 989.16 | 1,372.38 |

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 Lakhs)

| Particulars | Foreign Currency | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---------------------|-------------------------|-----------------|-------------------------|-----------------|
| | | Foreign Curr. Amount | Amount in ₹ | Foreign Curr. Amount | Amount in ₹ |
| I. Trade receivables/Advance from customer: | USD | 43.01 | 3,079.33 | 24.56 | 1,818.46 |
| | EUR | 1.45 | 123.49 | 0.73 | 58.15 |
| Total | | | 3,202.82 | | 1,876.61 |
| II. Borrowing balances : | USD | 13.60 | 977.87 | 16.18 | 1,163.75 |
| | | | | 977.87 | 1,163.75 |
| III. Trade payables : | USD | 17.16 | 1,228.72 | 7.10 | 525.56 |
| | EUR | 2.16 | 183.46 | 3.03 | 242.73 |
| | AUD | - | - | 1.57 | 70.85 |
| Total | | | 1,412.18 | | 839.15 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)
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 Lakhs)

| Particulars | Currency | Change in rate | Effect on profit before tax |
|---------------------------------------|----------|----------------|-----------------------------|
| 31st March, 2021 | | | |
| Based on YOY change between F20 & F21 | USD | +10% | 87.27 |
| | USD | -10% | (87.27) |
| | EUR | +10% | (6.00) |
| | EUR | -10% | 6.00 |
| 31st March, 2020 | | | |
| Based on YOY change between F19 & F20 | USD | +10% | 12.92 |
| | USD | -10% | (12.92) |
| | EUR | +10% | (18.46) |
| | EUR | -10% | 18.46 |
| | AUD | +10% | (7.09) |
| | AUD | -10% | 7.09 |

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 Lakhs)

| Floating Interest rate exposure : | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Secured : | | |
| Loans repayable taken from Banks: | | |
| Rupee Loans | 5,011.49 | 12,565.19 |
| Unsecured : | | |
| Loans repayable taken from Banks & Others | | |
| Rupee Loans | 2,056.03 | 3,039.45 |
| Total | 7,067.52 | 15,604.64 |

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 Lakhs)

| Particulars | Increase / Decrease in Basis Points | Effect on Profit Before Tax (Loss) |
|-------------------------|-------------------------------------|------------------------------------|
| 31st March, 2021 | +100 | (70.68) |
| | -100 | 70.68 |
| 31st March, 2020 | +100 | (156.05) |
| | -100 | 156.05 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- 38.** The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID-19 cases during the month of March 2021. The Company has considered various internal and external information available upto the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31st March, 2021. In the view of management, there is no significant impact on the immediate liquidity position of the Company based on management's evaluation of future cash flows for the next one year.
As at 31st March, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, inventories and financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.
Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainty associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.
- 39.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 40.** Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAACR1826

Place : Pithampur

Date : 17th May, 2021

**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 31st March, 2021, 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 31st March, 2021, 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 (SAs) specified under section 143(10) of the Act. 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 | Evaluation of uncertain tax positions The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32 to the Consolidated Financial Statements | Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended 31st March, 2021 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 1st April, 2020 to evaluate whether any change was required to management's position on these uncertainties. |

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



INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statement of 6 subsidiaries included in the audited consolidated financial statements, whose financial statements reflect total assets of ₹ 9,240.20 Lakhs as on 31st March, 2021. Total revenues of ₹ 19,335.55 Lakhs, total net (loss)/profit after tax of ₹ 1,508.99 Lakhs and total comprehensive income/(loss) of ₹ 1,397.13 Lakhs for the period from 1st April, 2020 to 31st March, 2021 respectively as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

Our conclusion on the Statement is not modified in respect of this matter.

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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors of the Parent as on 31st March, 2021 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 31st March, 2021, 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



INDEPENDENT AUDITOR'S REPORT (Contd.)

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) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended 31st March, 2021 has been paid/provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statement has disclosed the impact of pending litigations

on its consolidated financial position of the Group- Refer Note 32;

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the only Company to which such requirements apply;

**For PGS & Associates
Chartered Accountants**
Firm Registration Number: 122384W
UDIN: 21111592AAAACS3627

Place: Mumbai
Date: 17th May, 2021

Premal Gandhi
Partner
Membership Number: 111592

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 31st March, 2021, 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



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

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 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PGS & Associates

Chartered Accountants

Firm Registration Number: 122384W

UDIN: 21111592AAAACS3627

Premal Gandhi

Partner

Place: Mumbai

Date: 17th May, 2021

Membership Number: 111592

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|---------------------------|---------------------------|
| I ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 14,313.41 | 14,930.50 |
| (b) Capital Work-In-Progress | 3 | 57.92 | 45.97 |
| (c) Intangible Assets | 4 | 421.88 | 388.73 |
| (d) Intangible Assets Under Development | 4 | 18.01 | 23.53 |
| (e) Financial Assets | 5 | | |
| (i) Investments | 5.1 | 0.02 | 0.02 |
| (f) Non-Current Tax Assets (Net) | 6 | 1,734.43 | 1,215.44 |
| (g) Other Non-Current Assets | 7 | 408.13 | 480.88 |
| Total Non-Current Assets | | 16,953.80 | 17,085.07 |
| 2 Current Assets | | | |
| (a) Inventories | 8 | 13,340.68 | 14,455.17 |
| (b) Financial Assets | 9 | | |
| (i) Trade Receivables | 9.1 | 26,456.75 | 12,526.32 |
| (ii) Cash And Cash Equivalents | 9.2 | 2,157.43 | 660.35 |
| (iii) Bank Balance Other than Above | 9.3 | 1,989.84 | 3,191.28 |
| (iv) Other Financial Assets | 9.4 | 374.43 | 622.10 |
| (c) Current Tax Assets (Net) | 10 | - | 460.32 |
| (d) Other Current Assets | 11 | 5,775.06 | 5,060.34 |
| Total Current Assets | | 50,094.19 | 36,975.88 |
| Total Assets | | 67,047.99 | 54,060.95 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 1,838.02 | 1,838.02 |
| (b) Other Equity | 13 | 32,222.92 | 24,677.00 |
| Total Equity | | 34,060.94 | 26,515.01 |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | 14 | | |
| (i) Borrowings | 14.1 | 1,991.66 | 2,611.30 |
| (ii) Other Financial Liabilities | 14.2 | 43.75 | 41.62 |
| (b) Provisions | 15 | 564.36 | 563.38 |
| (c) Deferred tax liabilities (Net) | 16 | 1,155.72 | 81.65 |
| Total Non-Current Liabilities | | 3,755.49 | 3,297.94 |



**CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2021 (Contd.)**

| | | (₹ in lacs) | | |
|--|--|-------------|---------------------------|---------------------------|
| Particulars | | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| 2 Current liabilities | | | | |
| (a) Financial Liabilities | | 17 | | |
| (i) Borrowings | | 17.1 | 6,970.86 | 15,838.97 |
| (ii) Trade payables | | 17.2 | | |
| - Dues of Micro and Small Enterprise | | | 5,938.94 | 2,546.94 |
| - Dues of Other than Micro and Small Enterprise | | | 10,424.89 | 2,595.70 |
| (iii) Other Financial Liabilities | | 17.3 | 4,954.68 | 2,239.46 |
| (b) Provisions | | 18 | 17.03 | 34.79 |
| (c) Other Current Liabilities | | 19 | 592.34 | 992.15 |
| (d) Current Tax Liabilities (Net) | | 20 | 332.82 | - |
| Total Current Liabilities | | | 29,231.56 | 24,248.00 |
| Total Equity and Liabilities | | | 67,047.99 | 54,060.95 |
| 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

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACS3627

Place : Pithampur

Date : 17th May, 2021

**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 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

| Particulars | Note No. | 2020-21 | (₹ in lacs) 2019-20 |
|---|----------|------------------|------------------------|
| I Revenue from Operations | 21 | 92,966.14 | 38,282.26 |
| II Other Income | 22 | 377.12 | 408.88 |
| III Total Revenue (I+II) | | 93,343.26 | 38,691.14 |
| IV Expenses | | | |
| Cost of Materials Consumed | 23 | 63,838.80 | 26,596.79 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | 24 | 1,829.54 | (1,703.83) |
| Employee Benefits Expenses | 25 | 4,363.71 | 5,382.91 |
| Finance Costs | 26 | 1,621.14 | 2,079.23 |
| Depreciation and Amortisation Expenses | 27 | 1,836.46 | 1,719.69 |
| Other Expenses | 28 | 8,728.98 | 6,781.43 |
| Total Expenses (IV) | | 82,218.63 | 40,856.22 |
| V Profit/(Loss) before Exceptional Items and Tax (III-IV) | | 11,124.63 | (2,165.07) |
| VI Exceptional Items | | - | - |
| VII Profit / (Loss) before Tax(V-VI) | | 11,124.63 | (2,165.07) |
| VIII Tax Expenses: | | | |
| (1) Current Tax | | 2,491.92 | 184.68 |
| (2) Excess/Short Provision of Tax | | - | 148.74 |
| (3) Deferred Tax | | 1,074.07 | (1,090.85) |
| IX Profit/(Loss) for the year (VII-VIII) | | 7,558.64 | (1,407.64) |
| X Other Comprehensive Income | | | |
| (A) | | | |
| (i) Items that will not be reclassified to profit or loss Re-measurement gains / (loss) on defined benefit plans | | 71.37 | (53.72) |
| (ii) Income tax relating to items that will not be reclassified to profit / (loss) | | (24.70) | - |
| (B) | | | |
| (i) Items that will be reclassified to profit or loss Unrealised exchange gain/(loss) | | (111.85) | 30.91 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total Comprehensive Income for the year (X) | | (65.19) | (22.81) |
| XI Total Comprehensive Income / Loss for the year (IX+X) | | 7,493.46 | (1,430.45) |
| XII Earnings per equity share [nominal value of share ₹ 10/-] | 29 | | |
| (1) Basic | | 41.12 | (7.66) |
| (2) Diluted | | 41.12 | (7.66) |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACS3627

Place : Pithampur

Date : 17th May, 2021

**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 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|--|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit & loss before tax as per profit & Loss Account | 11,124.63 | (2,165.07) |
| Adjusted For : | | |
| Depreciation and Amortisation Expense | 1,836.46 | 1,719.69 |
| Interest Income | (153.26) | (107.57) |
| Interest Paid | 1,235.39 | 1,702.98 |
| Provision for Doubtful Debts/ Security Deposits | 61.25 | - |
| Re-measurement (gains) / loss on defined benefit plans | 71.37 | (53.72) |
| Unrealised exchange (gain)/loss (net) | (59.38) | 45.03 |
| Profit /Loss on sale of property, plant and equipment (net) | 2.67 | (27.42) |
| | 2,994.50 | 3,278.99 |
| Operating Profit Before Working Capital Changes | 14,119.13 | 1,113.92 |
| Adjusted For : | | |
| (Increase)/Decrease in Trade and Other Receivables | (14,307.83) | 7,652.98 |
| (Increase)/Decrease in Inventories | 1,114.48 | (898.45) |
| Increase/(Decrease) in Trade and other payables | 13,381.07 | (2,073.20) |
| | 187.72 | 4,681.33 |
| Net Cash Flow From Operating Activities | 14,306.85 | 5,795.25 |
| Income taxes (paid)/refund (net) | (2,242.47) | (761.21) |
| | (2,242.47) | (761.21) |
| Net Cash Flow From/(Used In) Operating Activities (A) | 12,064.38 | 5,034.04 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (1,249.17) | (1,751.48) |
| Purchase of Intangible Assets | (64.49) | (232.68) |
| Movement in Advance for Capital Goods | (2.84) | 89.64 |
| Movement in Capital Work-in-Progress | (6.43) | (11.59) |
| Sale of Fixed Assets | 58.48 | 135.09 |
| Interest Received | 77.96 | 89.19 |
| (Deposits)/Redemption with banks | 1,201.44 | (1,822.62) |
| Net Cash Flow From/(Used In) Investing Activities (B) | 14.95 | (3,504.45) |

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2021 | For the Year Ended 31st March, 2020 |
|---|--|--|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 290.00 | 2,336.15 |
| Repayment of Long term borrowings | (782.81) | (1,867.21) |
| Proceeds/(Repayment) from Short Term Borrowings (Net) | (8,868.11) | 995.16 |
| Dividend Paid including tax thereon | - | (1,107.91) |
| Interest Paid | (1,221.32) | (1,756.87) |
| Net Cash Flow From/(Used In) Financing Activities (C) | (10,582.24) | (1,400.68) |
| Net Change in Cash & Cash Equivalents (A+B+C) | 1,497.09 | 128.91 |
| Cash & Cash Equivalents at the beginning of the year | 660.35 | 531.44 |
| Cash & Cash Equivalents at the end of the year | 2,157.43 | 660.35 |

Note :

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

(₹ in lacs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Cash in Hand | 4.34 | 2.47 |
| Balance with Scheduled Banks | 570.14 | 549.38 |
| Fixed Deposit with Maturity Less than three months | 1,582.95 | 108.51 |
| Total | 2,157.43 | 660.35 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACS3627

Place : Pithampur

Date : 17th May, 2021

**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 31ST MARCH, 2021

CIN : L29120MP1995PLC009327

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|------------------------|------------------------|
| Equity Shares of ₹ 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 Lakhs)

| Particulars | Retained Earnings | | Capital Reserve | Securities Premium Reserve | Foreign Exchange Fluctuation Reserve | Total Equity |
|--|--------------------------|-----------------|-----------------|----------------------------|--------------------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | | | | |
| Balance as at 31st March, 2019 | 8,672.00 | 9,636.71 | 49.87 | 8,797.81 | 44.89 | 27,201.28 |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | - | (1,107.91) |
| Profit for the year | (1,407.64) | - | - | - | - | (1,407.64) |
| Foreign currency translation reserve | - | - | - | - | 14.08 | 14.08 |
| Remeasurement Gain/Loss - Other Comprehensive Income | (53.72) | - | - | - | - | (53.72) |
| Unrealised Gain/Loss - Other Comprehensive Income | 30.91 | - | - | - | - | 30.91 |
| Balance as at 31st March, 2020 | 6,133.64 | 9,636.71 | 49.87 | 8,797.81 | 58.97 | 24,677.00 |
| Profit for the year | 7,558.64 | - | - | - | - | 7,558.64 |
| Foreign currency translation reserve | - | - | - | - | 52.47 | 52.47 |
| Remeasurement Gain/Loss - Other Comprehensive Income | 46.67 | - | - | - | - | 46.67 |
| Unrealised Gain/Loss - Other Comprehensive Income | (111.85) | - | - | - | - | (111.85) |
| Balance as at 31st March, 2021 | 13,627.09 | 9,636.71 | 49.87 | 8,797.81 | 111.44 | 32,222.92 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACS3627

Place : Pithampur
Date : 17th May, 2021

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

SIGNIFICANT ACCOUNTING POLICIES & NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. THE GROUP OVERVIEW:

The Group, Shakti Pumps India Limited (SPIL) and its subsidiaries, engaged in manufacturing & trading of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance

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

2.2 Basis of Preparation

- a) The Consolidated Financial Statements comprise of the financial statements of Shakti Pumps (India) Limited (Parent Company) and the following subsidiaries as on 31st March, 2021:

| 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. (Discontinue from 15th March 2021) | 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".

- 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.
- i) The Group has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

2.3 Significant Accounting Policies:

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combination:

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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 recognize 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 31ST MARCH, 2021 (Contd.)

NON - CURRENT ASSETS

3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | Other than Research and Development | | | | | | | | Research and Development | | | | | Right of use Asset-Leases | Total | Capital Work-In-Progress |
|---------------------------------|-------------------------------------|-----------|-------------------|---------------|-----------|----------------------|----------------|------------------|--------------------------|---------------|-----------|----------------------|------------------|---------------------------|-----------|--------------------------|
| | Freehold Land | Buildings | Plant & Machinery | Die and Tools | Computers | Furniture & Fixtures | Motor Vehicles | Office Equipment | Plant and Machinery | Die and Tools | Computers | Furniture & Fixtures | Office Equipment | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | | | | | | |
| As at 31st March, 2019 | 415.86 | 3,610.36 | 8,587.77 | 8,446.16 | 652.46 | 601.15 | 260.43 | 527.00 | 49.16 | 185.72 | 2.87 | 0.76 | 29.50 | - | 23,369.22 | 1,124.19 |
| Additions | - | 1,038.17 | 547.70 | 942.71 | 27.27 | 27.49 | - | 151.03 | - | 55.33 | 26.27 | 2.69 | 7.00 | 56.34 | 2,882.00 | 151.75 |
| Sales/Disposals/Adjustments | - | 0.28 | 156.96 | 0.76 | 2.08 | 1.34 | - | 5.75 | - | - | - | - | 0.02 | - | 167.20 | 1,229.97 |
| As at 31st March, 2020 | 415.86 | 4,648.24 | 8,978.52 | 9,388.12 | 677.64 | 627.30 | 260.43 | 672.28 | 49.16 | 241.05 | 29.15 | 3.44 | 36.48 | 56.34 | 26,084.03 | 45.97 |
| Additions | - | 12.04 | 527.02 | 552.96 | 14.16 | 30.11 | 0.03 | 31.76 | - | 26.72 | 0.20 | - | 50.51 | - | 1,245.50 | 11.95 |
| Sales/Disposals/Adjustments | - | 0.10 | 110.70 | - | 36.96 | 0.02 | - | 0.02 | - | 0.13 | - | - | 0.11 | - | 148.04 | - |
| As at 31st March, 2021 | 415.86 | 4,660.18 | 9,394.83 | 9,941.08 | 654.84 | 657.40 | 260.47 | 704.02 | 49.16 | 267.64 | 29.35 | 3.44 | 86.89 | 56.34 | 27,181.48 | 57.92 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | | | | | | |
| As at 31st March, 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 | - | 9,543.47 | - |
| Charge for the Year | - | 94.68 | 538.41 | 829.49 | 64.05 | 52.36 | 26.73 | 54.37 | 3.11 | 25.29 | 3.36 | 0.30 | 3.29 | 0.94 | 1,696.39 | - |
| Sales/Disposals/Adjustments | - | 0.02 | 74.23 | 0.97 | 4.53 | 2.33 | - | 4.28 | - | (0.01) | (0.01) | - | 0.00 | - | 86.33 | - |
| As at 31st March, 2020 | - | 729.88 | 3,620.11 | 5,558.99 | 484.79 | 356.24 | 125.30 | 231.83 | 3.89 | 32.63 | 3.55 | 0.36 | 5.02 | 0.94 | 11,153.53 | - |
| Charge for the Year | - | 132.59 | 557.62 | 868.92 | 65.66 | 49.17 | 25.30 | 62.11 | 3.11 | 29.83 | 4.64 | 0.33 | 3.96 | 1.88 | 1,805.12 | - |
| Sales/Disposals/Adjustments | - | 0.01 | 49.40 | 1.40 | 38.80 | 0.19 | 0.29 | 0.50 | - | - | - | - | - | - | 90.59 | - |
| As at 31st March, 2021 | - | 862.46 | 4,128.32 | 6,426.52 | 511.65 | 405.23 | 150.30 | 293.45 | 7.00 | 62.46 | 8.19 | 0.69 | 8.99 | 2.81 | 12,868.07 | - |
| NET BLOCK VALUE | | | | | | | | | | | | | | | | |
| As at 31st March, 2020 | 415.86 | 3,918.36 | 5,358.41 | 3,829.13 | 192.86 | 271.06 | 135.14 | 440.45 | 45.27 | 208.42 | 25.60 | 3.08 | 31.46 | 55.41 | 14,930.50 | 45.97 |
| As at 31st March, 2021 | 415.86 | 3,797.72 | 5,266.51 | 3,514.56 | 143.19 | 252.17 | 110.16 | 410.58 | 42.16 | 205.17 | 21.16 | 2.75 | 77.90 | 53.53 | 14,313.41 | 57.92 |

- 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 ₹ 169.07 Lakhs as at 31st March, 2021 (₹ 5.27 Lakhs. as at March 31, 2020).
- 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)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Computer Software | Intangible Assets Under Development |
|---------------------------------|-------------------|-------------------------------------|
| GROSS CARRYING AMOUNT | | |
| As at 31st March, 2019 | 189.76 | 91.03 |
| Additions | 232.67 | 23.53 |
| Sales/Disposals/Adjustments | - | 91.03 |
| As at 31st March, 2020 | 422.43 | 23.53 |
| Additions | 58.40 | 0.43 |
| Capitalised during the year | - | (5.96) |
| Sales/Disposals/Adjustments | (41.53) | - |
| As at 31st March, 2021 | 522.36 | 18.01 |
| ACCUMULATED DEPRECIATION | | |
| As at 31st March, 2019 | 10.40 | - |
| Charge for the Year | 23.30 | - |
| Sales/Disposals/Adjustments | - | - |
| As at 31st March, 2020 | 33.70 | - |
| Charge for the Year | 31.35 | - |
| Disposals/Adjustments | (35.44) | - |
| As at 31st March, 2021 | 100.48 | - |
| NET BLOCK | | |
| As at 31st March, 2020 | 388.73 | 23.53 |
| As at 31st March, 2021 | 421.88 | 18.01 |

5. FINANCIAL ASSETS

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

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| INVESTMENTS IN OTHERS : | | |
| (i) Equity Instrument of Others (in Cosmos Bank) | 0.02 | 0.02 |
| Total | 0.02 | 0.02 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

6. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Net Income Tax Assets | 1,734.43 | 1,215.44 |
| Total | 1,734.43 | 1,215.44 |

7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (UNSECURED, CONSIDERED GOOD) | | |
| (i) Security Deposits | 247.17 | - |
| (ii) Balances with Government Authorities | 135.57 | 458.33 |
| (iii) Capital Advances | 25.39 | 22.55 |
| Total | 408.13 | 480.88 |

CURRENT ASSETS

8. INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|---------------------------|---------------------------|
| (i) Raw Material | 5,491.81 | 4,756.95 |
| (ii) Packing Material & Consumables | 184.71 | 257.28 |
| (iii) Work In Process | 3,019.27 | 2,795.63 |
| (iv) Finished Goods | 4,267.31 | 6,320.48 |
| (v) Stock in Transit | 377.59 | 324.81 |
| Total | 13,340.68 | 14,455.17 |

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)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

9. FINANCIAL ASSETS

9.1 Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (UNSECURED, AT AMORTISED COST) | | |
| (i) Considered good | 26,456.75 | 12,526.32 |
| (ii) Considered doubtful | 27.51 | 9.00 |
| Less : Provision for expected credit Loss | (27.51) | (9.00) |
| Total | 26,456.75 | 12,526.32 |

Notes:

- 1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Trade receivables are usually non-interest bearing and are on trade terms of 30 to 180 days.
- 3 Related party transactions & balance {Refer note no. 36}

9.2 Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Cash In Hand | 4.34 | 2.47 |
| (ii) Balance with Scheduled Banks : | | |
| (a) In current Accounts | 570.14 | 549.38 |
| (b) Fixed Deposit with Maturity less than 3 months | 1,582.95 | 108.51 |
| Total | 2,157.43 | 660.35 |

9.3 Other Bank Balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------|---------------------------|---------------------------|
| (i) In Fixed Deposit Accounts | 1,972.46 | 3,171.47 |
| (ii) Unclaimed Dividend | 17.37 | 19.81 |
| Total | 1,989.84 | 3,191.28 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

9.4 Other Financial Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (Unsecured- considered good) | | |
| (i) Security Deposits | 268.78 | 591.75 |
| (ii) Interest Receivable on Fixed Deposits with Bank | 105.65 | 30.35 |
| Total | 374.43 | 622.10 |

10. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| (i) Net Income Tax Assets | - | 460.32 |
| Total | - | 460.32 |

11. OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|---------------------------|---------------------------|
| (Unsecured- considered good) | | |
| (i) Prepaid Expenses | 361.62 | 300.39 |
| (ii) Advance to Suppliers | 517.30 | 198.84 |
| (iii) Statutory and Other Receivables | 4,896.14 | 4,561.11 |
| Total | 5,775.06 | 5,060.34 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

12. SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised : | | | | |
| Equity Shares of ₹ 10/- each | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | 15,00,000 | 1,500.00 | 15,00,000 | 1,500.00 |
| Total | 2,65,00,000 | 4,000.00 | 2,65,00,000 | 4,000.00 |
| Issued & Subscribed : | | | | |
| Equity shares of ₹ 10/- each | 1,85,60,356 | 1,856.04 | 1,85,60,356 | 1,856.04 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | - | - | - | - |
| Total | 1,85,60,356 | 1,856.04 | 1,85,60,356 | 1,856.04 |
| Paid Up Capital : | | | | |
| Equity Shares of ₹ 10/- each | 1,83,80,156 | 1,838.02 | 1,83,80,156 | 1,838.02 |
| 15 % Compulsory Convertible Preference Shares of ₹ 100/- each | - | - | - | - |
| Total | 1,83,80,156 | 1,838.02 | 1,83,80,156 | 1,838.02 |

12.1 Terms/rights attached to the equity shares :

- (i) The Company has only one class of equity shares having a par value of ₹ 10/- per share.
- (ii) Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- (iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

12.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

(i) Equity Shares :

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | 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 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Mr. Dinesh Patidar | 37,68,100 | 20.50% | 36,85,000 | 20.05% |
| Mr. Sunil Patidar | 15,62,200 | 8.50% | 15,62,200 | 8.50% |
| Mr. Ankit Patidar | 15,00,000 | 8.16% | 15,00,000 | 8.16% |
| AF Holdings | 4,18,552 | 2.28% | 16,36,363 | 8.90% |
| Shakti Irrigation India Limited | 9,32,000 | 5.07% | - | - |

13. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Retained Earnings | | Capital Reserve | Securities Premium Reserve | Foreign Exchange Fluctuation Reserve | Total |
|--|--------------------------|-----------------|-----------------|----------------------------|--------------------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | | | | |
| Balance as at 31st March, 2019 | 8,672.00 | 9,636.71 | 49.87 | 8,797.81 | 44.89 | 27,201.28 |
| Add/(Less): | | | | | | |
| Appropriations/Adjustments : | | | | | | |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | - | (1,107.91) |
| Profit for the year | (1,407.64) | - | - | - | - | (1,407.64) |
| Foreign currency translation reserve | - | - | - | - | 14.08 | 14.08 |
| Remeasurement Gain/Loss - Other Comprehensive Income | (53.72) | - | - | - | - | (53.72) |
| Unrealised Gain/Loss - Other Comprehensive Income | 30.91 | - | - | - | - | 30.91 |
| Balance as at 31st March, 2020 | 6,133.64 | 9,636.71 | 49.87 | 8,797.81 | 58.97 | 24,677.00 |
| Add/(Less): | | | | | | |
| Appropriations/Adjustments : | | | | | | |
| Profit for the year | 7,558.64 | - | - | - | - | 7,558.64 |
| Foreign currency translation reserve | - | - | - | - | 52.47 | 52.47 |
| Remeasurement Gain/Loss - Other Comprehensive Income | 46.67 | - | - | - | - | 46.67 |
| Unrealised Gain/Loss - Other Comprehensive Income | (111.85) | - | - | - | - | (111.85) |
| Balance as at 31st March, 2021 | 13,627.09 | 9,636.71 | 49.87 | 8,797.81 | 111.44 | 32,222.92 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NON-CURRENT LIABILITIES

14. FINANCIAL LIABILITIES

14.1 Non Current Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Term Loans: | | |
| (i) Term Loan from Bank | | |
| Rupee Loan | 1,975.18 | 2,236.58 |
| Foreign Currency Loan | 977.87 | 1,163.75 |
| Other: | | |
| (ii) Vehicle Loan from Bank | 7.24 | 52.78 |
| Less: Current Maturities of Long Term Borrowings | (968.63) | (841.81) |
| Total | 1,991.66 | 2,611.30 |

- (a) Interest rate of the above loan in range between 6.00% to 10.20%
- (b) Borrowings from banks are secured by way of :-
 - (i) First parri passu charge on both present and/or future, movable & immovable property, plant & equipments.
 - (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)
- (d) Vehicle Loans are secured by respective vehicles.
- (e) Corporate Guarantee of holding company for loan of subsidiary company.
- (f) Maturity Profile of the above loan as below :

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|---------------------------|---------------------------|
| (i) Within One year | 968.63 | 841.81 |
| (ii) Two to Five years | 1,991.66 | 2,611.30 |
| (iii) More than Five years | - | - |
| Total | 2,960.29 | 3,453.11 |

14.2 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------|---------------------------|---------------------------|
| (i) Lease Liability Payable | 43.75 | 41.62 |
| Total | 43.75 | 41.62 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Disclosures as required by Ind AS 116 'Lease' are stated below

(a) Lease Liability Movement

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Opening Balance /Transaction Adjustment | 47.11 | - |
| Add: Addition during the year | 2.57 | 49.68 |
| Interest on lease liability | 5.05 | 2.92 |
| Less: Lease rental payments | (5.49) | (5.49) |
| Total | 49.24 | 47.11 |

(b) Maturity Analysis of Lease Liabilities :

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Not later than one year | 5.49 | 1.66 |
| (ii) Later than one year but not later than five years | 21.96 | 6.62 |
| (iii) Later than five years | 21.79 | 38.83 |
| Total | 49.24 | 47.11 |

15. PROVISIONS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 508.86 | 502.52 |
| (ii) Leave Encashment | 55.50 | 60.86 |
| Total | 564.36 | 563.38 |

{Refer provision for employee benefits note no.34}

16. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Tax effect of items constituting deferred tax liabilities: | | |
| (i) Property, plant and equipment | 1,274.77 | 85.58 |
| Tax effect of items constituting deferred tax assets: | | |
| (i) Mat Credit Entitlement | (119.04) | (3.92) |
| Total | 1,155.72 | 81.65 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

CURRENT LIABILITIES

17. FINANCIAL LIABILITIES

17.1 Current Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Secured Loans | | |
| Loans Repayable on Demand from Banks: | | |
| Rupee Loans | 4,914.83 | 12,799.52 |
| (ii) Unsecured Loan | | |
| Loans Repayable on Demand from Banks: | | |
| Rupee Loans | 2,056.03 | 2,039.45 |
| Loans Repayable on Demand from Others: | | |
| Rupee Loans | - | 1,000.00 |
| Total | 6,970.86 | 15,838.97 |

(a) Interest rate of the above loan in range between 4.90% to 8.95%

(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.
- (iv) Corporate Guarantee of holding company for loan of subsidiary company.

17.2 Trade payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Dues to Micro, Small and Medium Enterprises | 5,938.94 | 2,546.94 |
| (ii) Dues to other than Micro, Small and Medium Enterprises | 10,424.89 | 2,595.70 |
| Total | 16,363.83 | 5,142.64 |

Related party transactions & balance {Refer note no. 36}

Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : ₹ 5,938.94 Lakhs Previous Year : ₹ 2,546.94 Lakhs. 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 Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Principal amount due and remaining unpaid | 5,938.94 | 2,546.94 |
| (ii) Interest paid | - | - |
| (iii) Interest due | - | - |
| (iv) Interest accrued and due | - | - |
| (v) Interest due and remaining unpaid | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

17.3 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| (i) Current Maturities of Long Term Borrowings | 968.63 | 841.81 |
| (ii) Unclaimed Dividend * | 17.37 | 19.81 |
| (iii) Security Deposits Payable | 89.38 | 95.48 |
| (iv) Creditors for Service & Others | 1,365.68 | 434.11 |
| (v) Lease Liability Payable | 5.49 | 5.49 |
| (vi) Other Payables : | | |
| - Employee Dues | 311.17 | 369.04 |
| - Others | 2,196.94 | 473.72 |
| Total | 4,954.68 | 2,239.46 |

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

(a) Current Maturities of Long Term Debt

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------|---------------------------|---------------------------|
| (i) Term Loan from Banks | 961.39 | 817.99 |
| (ii) Vehicle Loan from Banks | 7.24 | 23.82 |
| Total | 968.63 | 841.81 |

18. PROVISIONS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 13.42 | 21.83 |
| (ii) Leave Encashment | 3.61 | 12.96 |
| Total | 17.03 | 34.79 |

(Refer provision for employee benefits note no. 34)

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------|---------------------------|---------------------------|
| (i) Advance from Customers | 414.91 | 504.02 |
| (ii) Other Payables | 73.64 | 414.78 |
| (iii) Duties and Taxes payable | 103.79 | 73.35 |
| Total | 592.34 | 992.15 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

20. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| (i) Provision for Income Tax (Net) | 332.82 | - |
| Total | 332.82 | - |

REVENUE FROM OPERATION

21. SALE OF PRODUCTS

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|------------------------------|------------------|------------------|
| (i) Domestic Sales | 73,102.91 | 24,158.26 |
| (ii) Export Sales | 18,001.59 | 12,793.64 |
| (iii) Other Operating Income | 1,861.63 | 1,330.36 |
| Total | 92,966.14 | 38,282.26 |

(a) OTHER OPERATING INCOME INCLUDES :

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-----------------------------|-----------------|-----------------|
| (i) Export Benefits | 389.72 | 311.18 |
| (ii) Scrap Sales | 1,389.83 | 1,004.29 |
| (iii) Income from Services | 62.79 | - |
| (iv) Other Operating Income | 19.28 | 14.89 |
| Total | 1,861.63 | 1,330.36 |

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

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

- (i) Revenue disaggregation by Product Type: Pumps and Motors.
- (ii) Revenue disaggregation by Customer Type is as follows:

(₹ in Lakhs)

| Customer Type | 2020-21 | 2019-20 |
|-------------------------------------|------------------|------------------|
| Customers under Government Projects | 54,226.53 | 12,195.24 |
| Industrial Customers | 1,747.87 | 1,864.33 |
| OEM Customers | 8,590.04 | 4,606.00 |
| Export Customers | 18,001.59 | 12,793.64 |
| Other Customers | 10,400.10 | 6,823.05 |
| Total | 92,966.14 | 38,282.26 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

22. OTHER INCOME

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---------------------|---------------|---------------|
| (i) Interest Income | 153.26 | 107.57 |
| (ii) Rent Received | 13.31 | 11.27 |
| (iii) Others | 210.55 | 290.05 |
| Total | 377.12 | 408.88 |

EXPENSES

23. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

| Customer Type | 2020-21 | 2019-20 |
|-------------------------------------|------------------|------------------|
| Opening Stock of Raw Material | 5,014.24 | 5,852.03 |
| Add: Purchase of Raw Material | 64,878.67 | 25,759.01 |
| | 69,892.91 | 31,611.03 |
| Less: Closing Stock of Raw Material | 6,054.11 | 5,014.24 |
| Total | 63,838.80 | 26,596.80 |

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

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-----------------------------------|-----------------|-------------------|
| Inventories (at Close) | | |
| (i) Finished Goods/Stock-In-Trade | 4,267.31 | 6,320.48 |
| (ii) Work-In-Progress | 3,019.27 | 2,795.63 |
| Total | 7,286.57 | 9,116.12 |
| Inventories (at Opening) | | |
| (i) Finished Goods/Stock-In-Trade | 6,320.48 | 4,766.59 |
| (ii) Work-In-Progress | 2,795.63 | 2,645.70 |
| Total | 9,116.12 | 7,412.29 |
| Change in Inventories | 1,829.54 | (1,703.83) |

25. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| (i) Salaries, Wages and Bonus | 4,020.14 | 4,908.28 |
| (ii) Contribution to Provident and Other Funds | 232.94 | 258.02 |
| (iii) Staff Welfare Expenses | 110.64 | 216.61 |
| Total | 4,363.71 | 5,382.91 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

26. FINANCE COST

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-----------------------------|-----------------|-----------------|
| (i) Interest to Bank | 1,228.87 | 1,696.90 |
| (ii) Interest to Other | 6.52 | 6.08 |
| (iii) Other Borrowing Costs | 385.75 | 376.25 |
| Total | 1,621.14 | 2,079.23 |

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-------------------|-----------------|-----------------|
| (i) Depreciation | 1,803.24 | 1,695.46 |
| (ii) Amortisation | 33.22 | 24.23 |
| Total | 1,836.46 | 1,719.69 |

28. OTHER EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| (i) Power & Fuel | 223.94 | 266.40 |
| (ii) Job Work Expenses | 117.97 | 240.39 |
| (iii) Clearing & Forwarding Charges | 86.67 | 180.75 |
| (iv) Freight Charges | 794.13 | 812.70 |
| (v) Travelling Expenses | 109.56 | 889.60 |
| (vi) Advertising Expenses | 159.58 | 343.25 |
| (vii) ECGC Premium | 28.15 | 20.80 |
| (viii) Selling & Distribution Expenses | 3,938.99 | 1,753.37 |
| (ix) Legal, professional and consultancy charges | 343.92 | 323.08 |
| (x) Rent | 86.75 | 131.91 |
| (xi) Manufacturing Expenses | 829.26 | 381.56 |
| (xii) Auditors Remuneration | 6.33 | 8.59 |
| (xiii) Corporate Social Responsibility Expenses | 114.76 | 25.01 |
| (xiv) Rates and taxes | 182.62 | 298.25 |
| (xv) Repair & Maintenance | 107.96 | 76.43 |
| (xvi) Conveyance Expenses | 207.00 | 252.47 |
| (xvii) Communication Expenses | 134 | 113.60 |
| (xviii) Directors Remuneration | 907.16 | 383.10 |
| (xix) Office & Administrative Expenses | 185.40 | 201.77 |
| (xx) Bad Debts Written off | 24.06 | 26.18 |
| (xxi) Provision for Doubtful Debts / Security Deposits | 61.25 | - |
| (xxii) Donations and Contributions | 25.00 | 2.35 |
| (xxiii) Software Maintenance Expenses | 49.95 | 47.56 |
| (xxiv) Miscellaneous Expenses | 4.69 | 2.31 |
| Total | 8,728.98 | 6,781.43 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

28.1 Payment To Auditors

| Particulars | (₹ in Lakhs) | |
|---|--------------|-------------|
| | 2020-21 | 2019-20 |
| (i) For Audit | 5.00 | 5.00 |
| (ii) For Taxation Matters | - | - |
| (iii) For Other Services-Including components auditor | 1.33 | 3.59 |
| Total | 6.33 | 8.59 |

28.2 Corporate Social Responsibility Expenses

| Nature of expenditure | (₹ in Lakhs) | |
|---|---------------|--------------|
| | 2020-21 | 2019-20 |
| (i) Initiative for Moral & Cultural Training Foundation | - | 0.40 |
| (ii) School Fees of poor childs thru Shakti Foundation | - | 11.00 |
| (iii) Donation to Shakti Foundation | 83.23 | - |
| (iv) Other Donations (i.e. School/Jila Collector | 26.00 | 1.00 |
| (v) Covid - 19 Expenses | 0.63 | - |
| (vi) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple | 4.90 | 12.61 |
| Total | 114.76 | 25.01 |

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR for the year 2020-21 is ₹114.76 Lakhs (31st March, 2020, ₹ 44.17 Lakhs).

29. EARNINGS PER SHARE

| Particulars | (₹ in Lakhs) | |
|---|-----------------|-------------------|
| | 2020-21 | 2019-20 |
| Profit / (Loss) for the year as per Statement of Profit and Loss | 7,558.64 | (1,407.64) |
| Weighted Average Number of Shares | 1,83,80,156 | 1,83,80,156 |
| Face Value of Share (₹) | 10.00 | 10.00 |
| Basic Earning Per Share | 41.12 | (7.66) |
| Diluted Earning Per Share | 41.12 | (7.66) |

30. PROPOSED DIVIDEND

A dividend at the rate of 80% i.e. ₹ 8/- per equity share is recommended by the Board of Directors at their meeting held on 17th May, 2021 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

31. RESEARCH & DEVELOPMENT

(₹ in Lakhs)

| Nature of Expenditure | 2020-21 | 2019-20 |
|-----------------------------------|----------------|----------------|
| (i) Capital Expenditure | 77.32 | 91.28 |
| (ii) Revenue Expenditure | 253.06 | 302.38 |
| Total Expenditure Incurred | 330.38 | 393.67 |
| Less: Income Earned by R&D | 0.25 | - |
| Net Expenditure Incurred | 330.13 | 393.67 |

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies)

32. CONTINGENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-----------------------------------|-----------------------------------|
| (i) Bank Guarantee Outstanding | 7,962.33 | 8,636.40 |
| (ii) Unexpired Letter of Credit | 6,834.21 | 1,120.23 |
| (iii) Commercial Tax Demand under Dispute | 94.38 | 188.38 |
| (iv) Income Tax Demand Under Dispute | 3,759.64 | 3,759.64 |
| (v) Custom Duty Demand Under Dispute | 971.95 | 654.15 |
| Less: Provision for Doubtful Assets | (280.49) | (199.54) |
| Total | 19,342.02 | 14,159.27 |

33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|----------------|----------------|
| (i) Exhibition & Promotional Expenses | - | 13.17 |
| (ii) Travelling Expenses | 8.45 | 238.00 |
| (iii) Advertisement Expenses | 1.58 | - |
| (iv) Commission on Sales | 20.33 | 14.66 |
| (v) Software Development Expenses | 12.18 | 11.61 |
| (vi) Legal, Professional and Consultancy charges | 0.55 | 0.27 |
| (vii) Testing & Other Charges | 5.77 | 6.01 |
| Total | 48.84 | 283.72 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

34. EMPLOYEE BENEFIT OBLIGATIONS

34.1 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 Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|---------------|---------------|
| Employers Contribution to Provident Fund/ Pension Fund | 127.00 | 149.29 |
| Employers Contribution to ESIC | 4.32 | 7.49 |
| Total | 131.33 | 156.78 |

34.2 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 Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Present value of obligation at the end of year | 59.11 | 73.81 | 542.28 | 567.54 |
| Fair value of plan assets at the end of year | - | - | 20.00 | 43.19 |
| Net liability recognized in the Balance Sheet | 59.11 | 73.81 | 522.28 | 524.35 |

The amounts recognized in the Statement of Profit and Loss are as follows:

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|---|------------------|--------------|--------------|--------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Current Service Cost | 9.50 | 15.04 | 52.34 | 64.12 |
| Interest Cost | 4.93 | 4.69 | 35.09 | 32.36 |
| Past Service Cost | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Recognized Net Actuarial (Gain)/ Loss | (23.53) | 0.64 | - | - |
| Total, included in Employee Benefit Expenses | (9.09) | 20.37 | 87.43 | 96.48 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹ In Lakhs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Defined benefit obligation at beginning of the year | 73.81 | 60.86 | 567.54 | 443.50 |
| Current Service Cost | 9.50 | 15.04 | 52.34 | 64.12 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 4.93 | 4.69 | 38.48 | 34.77 |
| Benefits Paid | (5.61) | (7.41) | (43.62) | (30.01) |
| Actuarial (Gain)/ Loss | (23.53) | 0.64 | (72.46) | 55.16 |
| Defined benefit obligation at the end of the year | 59.11 | 73.81 | 542.28 | 567.54 |

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|---------|----------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| (i) Discount Rate | 7.09% | 6.78% | 7.09% | 6.78% |
| (ii) Salary Escalation Rate | 6.00% | 6.00% | 6.00% | 6.00% |
| (iii) Expected Rate of Return on Plan Assets | None | None | 7.84% | 7.44% |

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

| Particulars | Leave Encashment | | Gratuity | |
|--------------------------|------------------|----------|----------|----------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| (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 Lakhs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2021 | 100 Basis Points | (72.11) | 87.81 |
| | 2020 | 100 Basis Points | (76.95) | 94.05 |
| (ii) Salary Growth Rate | 2021 | 100 Basis Points | 87.89 | (73.41) |
| | 2020 | 100 Basis Points | 93.83 | (78.13) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)
LEAVE ENCAHMENT :

(₹ In Lakhs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2021 | 100 Basis Points | (7.69) | 9.46 |
| | 2020 | 100 Basis Points | (10.83) | 13.47 |
| (ii) Salary Growth Rate | 2021 | 100 Basis Points | 9.47 | (7.83) |
| | 2020 | 100 Basis Points | 13.44 | (11.00) |

Gratuity :

(₹ In Lakhs)

| Expected Cash Flow for the Next Ten Years | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Year 2021 | - | 22.32 |
| Year 2022 | 13.86 | 14.69 |
| Year 2023 | 38.84 | 42.43 |
| Year 2024 | 26.79 | 31.42 |
| Year 2025 | 21.88 | 26.80 |
| Year 2026 | 33.48 | - |
| Year 2026 - 2030 | - | 318.93 |
| Year 2027 - 2031 | 295.85 | - |

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.

35. INCOME TAX EXPENSES

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-------------------|-----------------|
| (i) Profit or Loss Section | | |
| Current Tax Expenses | 2,491.92 | 184.68 |
| (Short)/Excess provision for tax relating to prior period | - | 148.74 |
| Deferred Tax | 1,074.07 | (1,090.85) |
| Total Income Tax Expenses Recognised in Statement of Profit & Loss | 3,565.99 | (757.42) |
| (ii) Other Comprehensive Income (OCI) Section | | |
| Income tax charged to OCI | (24.70) | - |
| (iii) Reconciliation of Effective Tax Rate | | |
| A) Profit Before Tax | 11,124.63 | (2,165.07) |
| B) Enacted Tax Rate In India | 34.94% | 34.94% |
| C) Expected Tax Expenses | 3,887.39 | (756.56) |
| D) Tax Effect of : | | |
| - Difference Between Book Depreciation And Tax Depreciation | 4.78 | 83.44 |
| - Deduction on account of Research and Development Expenses | (77.32) | (290.11) |
| - Other Provisions | (3,920.92) | 2,900.26 |
| E) Net Adjustment | (3,993.46) | 2,693.58 |
| F) Tax Expenses/(Saving) on Net Adjustment (E*B) | (1,395.47) | 941.25 |
| G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F) | 2,491.92 | 184.68 |
| H) Excess/(Short) Provision for tax relating to prior year | - | 148.74 |
| I) Changes on Account of Deferred Tax | 1,074.07 | (1,090.85) |
| Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I) | 3,565.99 | (757.42) |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. 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) Vintex Tools Pvt. Ltd.
- (iii) Arsh Industrial Solutions Pvt. Ltd.
- (iv) Shakti Irrigation Pvt. Ltd.
- (v) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

2. Key Managerial Personnel :

- (i) Mr. Dinesh Patidar
- (ii) Mr. Sunil Patidar
- (iii) Mr. Ramesh Patidar
- (iv) Mrs. Indira Patidar

(ii) Transaction with Related Parties :

(₹ in Lakhs)

| S. No | Name of Party | Nature of Transaction | 2020-21 | 2019-20 |
|----------|---|--|----------|----------|
| 1 | Shakti Irrigation India Ltd. | Purchase of Components | 1,234.36 | 861.51 |
| | | Purchase of Asset | 2.02 | 0.12 |
| | | Purchase of Drip Irrigation Pipes | 0.11 | 0.16 |
| | | Sale of Pumps & Motors & other material | 102.34 | 53.26 |
| | | Sale of Assets | 0.11 | 11.07 |
| 2 | Vintex Tools Pvt. Ltd. | Purchase of Dies & Other material | 115.17 | 1,005.84 |
| | | Purchase of Assets | 826.94 | - |
| | | Sale of Asset | - | 449.07 |
| | | Sale of Spare parts | 12.40 | 16.65 |
| | | Sale of Solar Structure Parts | 0.53 | 2.75 |
| 3 | Arsh Industrial Solutions Pvt. Ltd. | Purchase of Nuts & Bolts | 986.63 | 546.16 |
| | | Purchase of Solar Structure Accessories | 9.71 | 211.54 |
| | | Purchase of Asset | 19.24 | |
| | | Sale of Solar Structure Parts | 0.65 | 60.28 |
| | | Sale of Asset | 47.20 | 74.26 |
| | | Sale of Spare Parts | 352.09 | 448.63 |
| 4 | Shakti Irrigation Pvt. Ltd. | Purchase of Pipes | 1,850.04 | 903.53 |
| | | Sale of Pumps, Motors & other material | 5.19 | 0.23 |
| | | Sale of Asset | - | 1.26 |
| | | Income from Rent | 13.31 | 11.27 |
| 5 | SPIL Energy LLP(Earlier known as "SPIL Energy Limited") | Purchase of Pumps, Motors & other material | - | 11.60 |
| | | Sale of Solar Structure | - | 11.05 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

| S. No | Name of Party | Nature of Transaction | 2020-21 | 2019-20 |
|----------|---------------------|-----------------------|---------|---------|
| 6 | Mr. Dinesh Patidar | Remuneration | 450.00 | 312.03 |
| | | Sales Incentive | 406.05 | - |
| 7 | Mr. Sunil Patidar | Remuneration | 9.65 | 12.00 |
| | | Other Allowances | 0.60 | 0.87 |
| 8 | Mr. Ramesh Patidar | Remuneration | 32.33 | 32.55 |
| | | Sales Incentive | 5.00 | 7.50 |
| | | Other Allowances | 1.53 | 1.65 |
| 9 | Mrs. Indira Patidar | Remuneration | 2.00 | 24.00 |

(iii) Related Party Balance :

(₹ In Lakhs)

| S. No | Nature | Name of Party | As at 31st March, 2021 | As at 31st March, 2020 |
|----------|--------------------------------|-------------------------------------|---------------------------|---------------------------|
| 1 | Trade Receivables | Shakti Irrigation India Ltd. | 61.45 | 47.31 |
| | | Vintex Tools Pvt. Ltd. | - | 14.11 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 66.31 | 270.33 |
| | | Shakti Irrigation Private Ltd. | 1.40 | - |
| 2 | Trade Payables | Shakti Irrigation India Ltd. | 70.57 | 199.97 |
| | | Vintex Tools Pvt. Ltd. | 1,009.60 | 288.15 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 321.17 | 168.56 |
| | | Shakti Irrigation Private Ltd. | 302.45 | 70.39 |
| 3 | Creditors for Service & Others | Mrs. Indira Patidar | - | 1.25 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

37. 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 Lakhs)

| Financial Instruments by category | Carrying Value | | Fair Value | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 4,147.27 | 3,851.63 | 4,147.27 | 3,851.63 |
| Other Financial Assets | 374.43 | 622.10 | 374.43 | 622.10 |
| Trade Receivables | 26,456.75 | 12,526.32 | 26,456.75 | 12,526.32 |
| Total | 30,978.44 | 17,000.05 | 30,978.44 | 17,000.05 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 16,363.83 | 5,142.64 | 16,363.83 | 5,142.64 |
| Borrowings | 9,931.15 | 19,292.08 | 9,931.15 | 19,292.08 |
| Other Financial Liabilities | 4,029.80 | 1,439.26 | 4,029.80 | 1,439.26 |
| Total | 30,324.77 | 25,873.97 | 30,324.77 | 25,873.97 |

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(₹ In Lakhs)

| Particulars | As at 31st March, 2021 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 4,147.27 | - | - | 4,147.27 |
| Other Financial Assets | 374.43 | - | - | 374.43 |
| Trade Receivables | 26,456.75 | - | - | 26,456.75 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 16,363.83 | - | - | 16,363.83 |
| Borrowings | 9,931.15 | - | - | 9,931.15 |
| Other Financial Liabilities | 4,029.80 | - | - | 4,029.80 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ In Lakhs)

| Particulars | As at 31st March, 2020 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,851.63 | - | - | 3,851.63 |
| Other Financial Assets | 622.10 | - | - | 622.10 |
| Trade Receivables | 12,526.32 | - | - | 12,526.32 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 5,142.64 | - | - | 5,142.64 |
| Borrowings | 19,292.08 | - | - | 19,292.08 |
| Other Financial Liabilities | 1,439.26 | - | - | 1,439.26 |

B. FINANCIAL RISK MANAGEMENT

Shakti Pumps (India) Limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Company.

1. Capital Management :
The company's capital management objectives are:

- (i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.
- (ii) The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt equity ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.
- (iv) Debt Equity Ratio is as follows:

(₹ In Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 | |
|--------------------------------|---------------------------|---------------------------|-------------|
| | | | |
| Debt (A) | 9,931.15 | 19,292.08 | |
| Equity (B) | 34,060.94 | 26,515.01 | |
| Debt Equity Ratio (A/B) | 0.29 | | 0.73 |

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 Lakhs)

| Exposure to Risk | As at 31st March, 2021 | | As at 31st March, 2020 | |
|-------------------------------------|---------------------------|----------|---------------------------|-----------|
| | | | | |
| Interest bearing borrowings: | | | | |
| On Demand | | 4,914.83 | | 12,799.52 |
| Less than 180 Days | | 2,540.35 | | 3,460.35 |
| 181-365 Days | | 484.32 | | 420.90 |
| More than 365 Days | | 1,991.66 | | 2,611.30 |

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 Lakhs)

| Particulars | Foreign Currency | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---------------------|-------------------------|-----------------|-------------------------|-----------------|
| | | Foreign Curr. Amount | Amount in ₹ | Foreign Curr. Amount | Amount in ₹ |
| I. Trade receivables/Advance from customer: | USD | 43.01 | 3,079.33 | 24.56 | 1,818.46 |
| | EUR | 1.45 | 123.49 | 0.73 | 58.15 |
| Total | | | 3,202.82 | | 1,876.61 |
| II. Advance for Capital Goods : | USD | 0.06 | 4.17 | - | - |
| | | | | 4.17 | - |
| III. Borrowing balances : | USD | 13.60 | 977.87 | 32.24 | 2,290.57 |
| | | | | 977.87 | 2,290.57 |
| IV. Trade payables : | USD | 17.16 | 1,228.72 | 7.10 | 525.56 |
| | EUR | 2.16 | 183.46 | 3.03 | 242.73 |
| | AUD | - | - | 1.57 | 70.85 |
| Total | | | 1,412.18 | | 839.15 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)
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 Lakhs)

| Particulars | Currency | Change in rate | Effect on profit before tax |
|---------------------------------------|-----------------|-----------------------|------------------------------------|
| 31st March, 2021 | | | |
| Based on YOY change between F20 & F21 | USD | +10% | 87.69 |
| | USD | -10% | (87.69) |
| | EUR | +10% | (6.00) |
| | EUR | -10% | 6.00 |
| 31st March, 2020 | | | |
| Based on YOY change between F19 & F20 | USD | +10% | (99.77) |
| | USD | -10% | 99.77 |
| | EUR | +10% | (18.46) |
| | EUR | -10% | 18.46 |
| | AUD | +10% | (7.09) |
| | AUD | -10% | 7.09 |

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 Lakhs)

| Floating Interest rate exposure : | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-----------------------------------|-----------------------------------|
| Secured : | | |
| Loans repayable taken from Banks: | | |
| Rupee Loans | 4,914.83 | 12,799.52 |
| Unsecured : | | |
| Loans repayable taken from Banks & Others | | |
| Rupee Loans | 2,056.03 | 3,039.45 |
| Total | 6,970.86 | 15,838.97 |

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 Lakhs)

| Particulars | Increase / Decrease in Basis Points | Effect on Profit Before Tax (Loss) |
|-------------------------|--|---|
| 31st March, 2021 | +100 | (69.71) |
| | -100 | 69.71 |
| 31st March, 2020 | +100 | (158.39) |
| | -100 | 158.39 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

38. 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 Lakhs)

| Particular | 2020-21 | 2019-20 |
|--|--------------------|-------------------|
| 1. Segment Revenue | | |
| India | 97,409.88 | 38,480.96 |
| Overseas | 10,984.80 | 8,426.84 |
| Total Segment Revenue | 1,08,394.68 | 46,907.80 |
| Inter segment sales | (15,051.42) | (8,216.66) |
| Income from Operations | 93,343.26 | 38,691.14 |
| 2. Segment Results | | |
| Profit/(Loss) before Finance Costs, Exceptional Items & Tax | | |
| India | 11,597.89 | (1,109.97) |
| Overseas | 1,147.87 | 1,024.13 |
| Total | 12,745.77 | (85.84) |
| Less: Finance Cost | 1,621.14 | 2,079.23 |
| Profit before Exceptional Items & Tax | 11,124.63 | (2,165.07) |
| Exceptional Items | - | - |
| Profit before Tax | 11,124.63 | (2,165.07) |
| 3. Capital Employed | | |
| (Segment Assets) | | |
| India | 61,688.65 | 50,543.86 |
| Overseas | 5,359.35 | 3,517.09 |
| Total Segment Assets | 67,047.99 | 54,060.95 |
| (Segment Liabilities) | | |
| India | 31,403.37 | 27,019.57 |
| Overseas | 1,583.67 | 526.38 |
| Total Segment Liabilities | 32,987.05 | 27,545.94 |
| Net Capital Employed | | |
| (Segment Assets-Segment Liabilities) | | |
| India | 30,285.27 | 23,524.29 |
| Overseas | 3,775.67 | 2,990.72 |
| Total Capital Employed | 34,060.94 | 26,515.01 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

39. ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

| 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. 2020-21 | | | | |
| a) Parent | | | | |
| Shakti Pumps India Limited | 82.93% | 28,247.74 | 80.04% | 6,049.66 |
| b) Subsidiaries | | | | |
| Indian | | | | |
| Shakti Energy Solutions Pvt. Ltd. | 5.98% | 2,037.54 | 6.64% | 501.55 |
| Foreign | | | | |
| Shakti Pumps LLC, USA | 6.63% | 2,256.79 | 6.26% | 472.91 |
| Shakti Pumps FZE , UAE | 4.36% | 1,483.74 | 6.86% | 518.82 |
| Shakti Pumps Pty Ltd., Australia | 0.00% | (0.00) | 0.26% | 19.95 |
| Shakti Pumps (Shanghai) Limited, China | 0.03% | 9.86 | -0.10% | (7.87) |
| Shakti Pumps (Bangladesh) Ltd., Bangladesh | 0.07% | 25.27 | 0.05% | 3.63 |
| c) Minority Interest | | | | |
| i) Indian | - | - | - | - |
| ii) Foreign | - | - | - | - |
| Total | 100% | 34,060.94 | 100% | 7,558.64 |
| F.Y. 2019-20 | | | | |
| a) Parent | | | | |
| Shakti Pumps India Limited | 82.93% | 21,988.31 | 148.26% | (2,086.99) |
| b) Subsidiaries | | | | |
| Indian | | | | |
| Shakti Energy Solutions Pvt. Ltd. | 5.79% | 1,535.99 | 11.36% | (159.98) |
| Foreign | | | | |
| Shakti Pumps LLC, USA | 6.99% | 1,853.65 | -41.70% | 586.98 |
| Shakti Pumps FZE , UAE | 3.80% | 1,006.97 | -20.65% | 290.69 |
| Shakti Pumps Pty Ltd., Australia | 0.34% | 90.60 | 0.54% | (7.58) |
| Shakti Pumps (Shanghai) Limited, China | 0.06% | 17.00 | 1.25% | (17.55) |
| Shakti Pumps (Bangladesh) Ltd., Bangladesh | 0.08% | 22.49 | 0.94% | (13.21) |
| c) Minority Interest | | | | |
| i) Indian | - | - | - | - |
| ii) Foreign | - | - | - | - |
| Total | 100% | 26,515.01 | 100% | (1,407.64) |

Note :

During the year, The company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective date of closure is 15th March, 2021. The Company has been recognised related loss of ₹ 20.26 Lakhs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- 40.** The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID-19 cases during the month of 31st March, 2021. The company has considered various internal and external information available upto the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31st March, 2021. In the view of management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year.
As at 31st March, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, inventories and financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.
Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainty associated with its nature and duration. The company will continue to closely monitor any material changes to future economic conditions.
- 41.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 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

Premal Gandhi

Partner

M.No.111592

UDIN: 21111592AAAACS3627

Place : Pithampur

Date : 17th May, 2021

**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



SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327

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