



SECURITY.

Shakti Pumps (India) Limited | Annual report 2010-11

Forward-looking statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of

future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Important communication to members

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

are requested to fill in and forward the e-mail address registration form enclosed separately in this Annual Report to:

Adroit Corporate Services Pvt. Ltd

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

Letter to shareholders

Dear Member,

You are cordially invited to attend the Sixteenth Annual General Meeting of the members to be held on Friday, 30th September, 2011 at 10.00 A.M. IST at the Registered Office of the Company at 401, 402 & 413, Industrial Area, Sector-III, Pithampur - 454775, Dist.-Dhar (M.P.) India.

The Notice for the meeting, containing the business to be transacted, is enclosed herewith.

Very truly yours,

Dinesh Patidar

Chairman and Managing Director

Notice

Notice is hereby given that the Sixteenth Annual General Meeting of the members of **Shakti Pumps (India) Limited** will be held on Friday, 30th September, 2011 at 10.00 A.M. at the Registered Office of the Company, Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur - 454775, Dist. Dhar (M.P.) to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that along with the report of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2011.
3. To elect Director in place of Mr. S. S. Raghuwansi who retires by rotations and being eligible offer himself for reappointment.
4. To elect a Director in place of Mr. Lalit Garg who retires by rotations and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of Board
For **Shakti Pumps (India) Ltd**

Place : Pithampur
Date : 30th August, 2011

Dinesh Patidar
Managing Director

As Special Business

6. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to Section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the reappointment of Mr. Ramesh Patidar as Whole-Time Director of the company to hold office of Executive Director for a period of five years from 17th October, 2011 to 16th October, 2016 on a monthly remuneration of '1,10,000 (rupees one lakh ten thousand only) per month.

RESOLVED FURTHER THAT the Company hereby approves an increase in remuneration mentioned above payable to Mr. Ramesh Patidar, as may be decided by the Board from time to time, plus perks as set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT Mr. Dinesh Patidar, Managing Director and Mr. Manoj Maheshwari, Company Secretary of the Company be and is hereby authorised to do all the necessary acts, deeds, matters, formalities and such other things as may be considered necessary, expedient, usual, incidental or proper to give effect to the above resolution."

By Order of Board
For **Shakti Pumps (India) Ltd**

Place : Pithampur
Date : 30th August, 2011

Dinesh Patidar
Managing Director

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

The Board of Directors of the Company at its Meeting held on 30th April, 2011, reappointed Mr. Ramesh Patidar as a Whole-Time Director for a period of five years with effect from 17th October, 2011. The said reappointment is subject to the approval of the shareholders in the general meeting.

The terms of reappointment and remuneration of Mr. Ramesh Patidar, inter alia, contain the following principal terms and conditions:

1. PERIOD:

Five years (from 17th October, 2011 to 16th October, 2016)

2. SALARY:

₹1, 10,000 (rupees one lakh ten thousand only) per month, as may be decided by the Board from time to time.

3. PROVIDENT FUND CONTRIBUTION:

The Company's contribution to the provident fund will be in accordance with its rules and regulations.

4. PERQUISITES:

Perquisites will be allowed in addition to salary, the perquisites shall be valued as per Income Tax Rules, 1962. However, the amount of perquisites shall be restricted to annual salary. For this purpose, perquisites will be as follows:-

1. Children education allowance

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals, being obtained.

The Board of Directors recommends the resolutions for your approval.

None of the Directors except Mr. Ramesh Patidar is interested or concerned in this resolution.

By Order of Board
For Shakti Pumps (India) Ltd

Place : Pithampur
Date : 30th August, 2011

Dinesh Patidar
Managing Director

Notes

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself, and the proxy need not be a member. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of this meeting.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 24th September, 2011 to 30th September, 2011 (both days inclusive).
3. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
4. Members are requested to bring their copies of the annual report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
5. Members/proxies should bring the attendance slip sent herewith, duly filled, in order to attend the meeting.
6. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered Office of the Company during office hours on all the working days up to the date of the Annual General Meeting.
7. Members who hold shares in electronic form are requested to bring their Depository ID number and client ID number to facilitate easier identification for attendance at the Annual General Meeting.



8. Since the securities of your Company have come under the compulsory dematerialised form as per the requirements of SEBI, henceforth all members are requested to get their shares dematerialised at the earliest.

9. The shareholders are hereby informed that all

correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s Adroit Corporate Services Pvt. Ltd, 19, Jafarbhoy, Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri(E), Mumbai - 400 059.

Details of Directors seeking reappointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. Lalit Garg	Mr. S.S. Raghuwansi	Mr. Ramesh Patidar
Date of birth	25th February, 1977	21st December, 1935	25th January, 1973
Expertise in specific functional area	Finance, Accounts and taxation	Completed major water supply projects-Indore, Ujjain, Gwalior and Jabalpur	Export Area
Date of appointment	1st September, 2005	1st September, 2005	17th October, 2006
Qualification	B.Com., C.A.	B.E. (Hons) Civil Engineering	M.B.A.
List of outside Directorship held	Nil	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee and Remuneration Committee	Member of Audit Committee and Remuneration Committee	Nil
Chairman/Member of the Committee of the Board of Directors of other companies	Nil	Nil	Nil

By Order of Board
For Shakti Pumps (India) Ltd

Place : Pithampur
Date : 30th August, 2011

Dinesh Patidar
Chairman and Managing Director



Directors' Report

Dear members

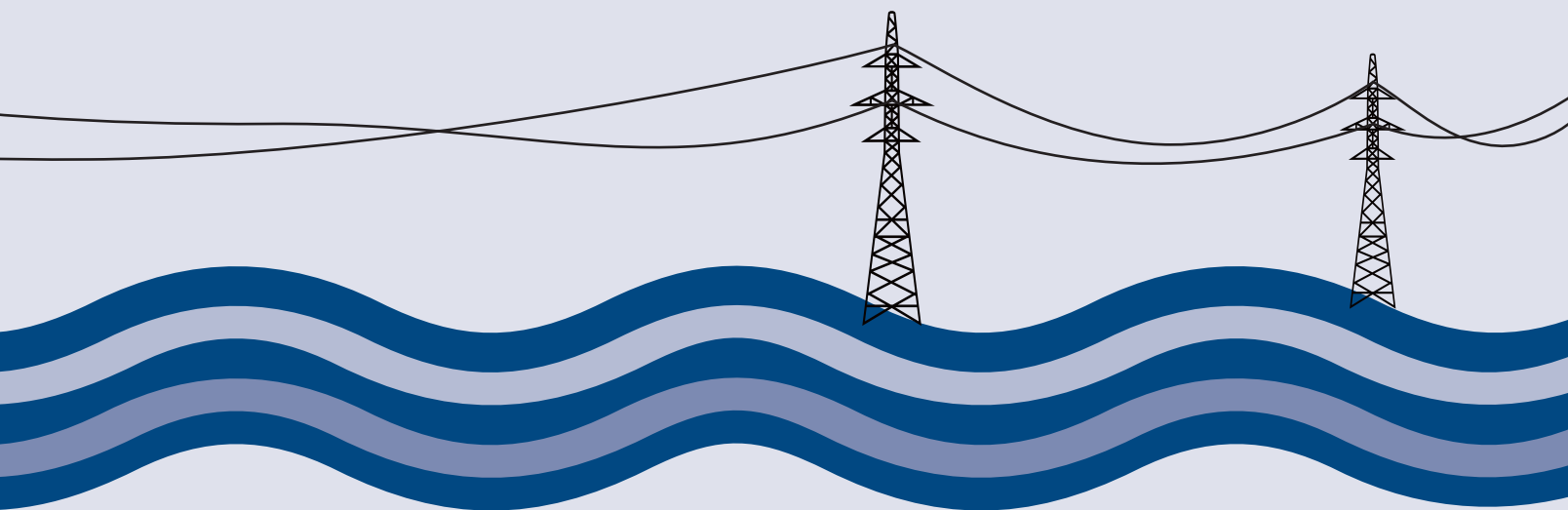
Reportjunction.com

Your Directors have pleasure in pursuing their 16th Annual Report along with the audited accounts of the Company for the year ended 31st March 2011.

1. Financial Review

[₹ in lakhs]

	Financial year ended 2009-10	Financial year ended 2010-11
Gross turnover	13,168.05	13,493.23
Operating profit before interest, depreciation and tax	2,357.32	2,567.73
Interest and other financial charges (Net)	812.47	607.87
Depreciation and Amortisation	348.66	299.24
Provision for taxation	120.70	318.81
Net Profit	1,075.49	1,341.82
Add: Balance brought forward from the previous year	–	–
Profit Available for Appropriation	1,075.49	1,341.82
Appropriations		
Proposed Dividend on equity shares	62.23	140.44
Tax on Proposed Dividend	10.58	23.32
General Reserve	–	–
Leaving a balance to be carried forward to next year's account	1,002.68	1,178.06



2. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of ₹1 per share for 2010-11. The final dividend, if approved by the members would invoke a cash outflow of ₹1,63,76,291.00 including dividend tax.

3. Operating results and business

Overall 2010-11 has been a very satisfying year. During the year, your Company has registered a turnover ₹13,493.24 lakhs (from nine month's operations) as compared with ₹13,168.05, showing an increase of 37 % (annualised) over the previous year turnover. The exports of the Company increased from ₹7,590.77 lakhs to ₹7,589.26 (from nine month's operations) showing an (annualised) increase of 33% over the previous year, owing to enhanced production and better product/market penetration.

The Company earned profit before depreciation, interest and tax of ₹2,567.73 lakhs as against ₹2,357.32 lakhs in the previous year, showing a growth of (annualised) 8.93%.

4. Future outlook

Going ahead, the Company will introduce new products which include:

1. WASTE WATER PUMPS

Introduction

The Shakti SAP Waste Water Pumps are used in collection of sewage, effluent, drainage and seepage water in locations such as homes, farms, light commercial buildings and industrial areas. These pumps are used in a variety of industrial, commercial, military, and maritime applications. Examples include agriculture and horticulture, aerospace and defense, construction, food processing, hydrocarbon and petrochemical, power generation, pulp and paper and semiconductor applications. Important specification for our Waste Water Pumps includes maximum discharge flow, maximum discharge pressure, inlet size, discharge size and horsepower. Our Waste Water Pumps have three models viz SAP 12, SAP 35 and SAP 50.

Shakti SAP 12

This is a single stage for pumping clean, non-aggressive water and slightly dirty (grey) wastewater. The pump can be used as portable unit.

Applications:

- Groundwater lowering.

- Pumping drainage lowering.
- Pumping in surface water pits with inflow from roof.
- Gutters, shafts, tunnels, among others.
- Emptying of ponds, tanks, among others.

Shakti SAP 35 & SAP 50

This is a single stage submersible pump designed for the pumping dirty, untreated waste water (excluding toilet discharge) and liquids containing fibers from light industry, laundries, among others.

Applications:

- Ground water lowering.
- Pumping in drainage pits.
- Pumping in surface water pits with inflow from roof gutters, tunnels, among others.
- Emptying on ponds, tanks, among others.
- Pumping of fibre - containing wastewater from laundries and industries.
- Pumping of domestic wastewater without discharge from water closets.

2. Single Stage End Suction Close Coupled (Monoblock Pump)

The Shakti SNB Single Stage End Suction Close Coupled (Monoblock Pumps) is

suitable for water distribution in large-scale irrigation systems.

Applications:

- Industrial pressure boosting
- Industrial liquid transfer
- Irrigation
- Heating, cooling, air-conditioning and circulation plants.
- Fire fighting application

3. Single Stage End Suction Long Coupled

The Shakti SNK Single Stage End Suction Long Coupled Pump is suitable for water distribution in large-scale irrigation systems. These pumps are fabricated using advanced technology from quality raw material. They find their application in diverse industries apart from being used domestically. Durability, high tensile strength and anti-corrosive nature are the other features of the Long Coupled End Suction Pump. These pumps are available in three models viz SNK-32, 40, 50, 65 and 80.

Features:

- The pumps have a back pull design to enable the removal of the motor without dismantling the pump.
- Motors are EFF Class 1.
- The pump can be driven by diesel set or DG set.

Applications:

- Industrial pressure boosting.
- Industrial liquid transfer
- HVAC
- Irrigation

4. Multistage Centrifugal Immersible Pressure Boosting Pumps

The Shakti STH pump is suitable for Liquid transfer.

Applications:

- Spark machine tools
- Grinding machines
- Machining centers
- Cooling units
- Industrial washing machines
- Filtering systems
- Lathes
- Swarf conveyors

2. UPCOMING MOTOR MODEL

1. Premium 100 & 101 Resin Cooled Motor

Features:

- Hermetically sealed stator. Anti-track, self-healing stator resin prevents motor burn out.
- High efficiency electrical design (Low operation cost, cooler winding temperature)
- Removable 'water Bloc" lead connector.
- Cable material in accordance with regulations of drinking water (KTA approved)
- Water lubricated radial and thrust bearings.
- All motors prefilled and 100% tested.
- Non-contaminating, water-filled design.

2. Premium 150 Resin Cooled Motor

Application:

These motors operation in 6" diameter or larger water wells. Water lubricated thrust and radial bearing enable maintenance operation.

Advantages:

- Hermetically sealed stator. Anti-track, self-healing stator resin prevents motor burn out.
- Removable 'water Bloc" lead connector.
- Cable material in accordance with regulations of drinking water
- All motors prefilled and 100% tested.
- Send slinger and mechanical seal for high performance in sand.
- Maximum storage temperature -15 degree Celsius to +60 degree Celsius.

3. Premium 150 Resin Cooled Motor

Application:

These motors operation in 8" diameter or larger water wells. Water lubricated thrust and radial bearing enable maintenance operation.

Advantages:

- Hermetically sealed stator. Anti-track, self-healing stator resin prevents motor burn out.
- Removable 'water Bloc" lead connector.
- Cable material in accordance with regulations of drinking water



- All motors prefilled and 100% tested.
- Send slinger and mechanical seal for high performance in sand.
- Maximum storage temperature -15 degree Celsius to +60 degree Celsius.

4. SMG Motors SMG 71, 80, 90, 112 & 132.

Application:

The SMG motors are suitable for the SRN, SH and SJP pumps ranges.

Features:

- The motor body is aluminum.
- The motors are EFF Class 2.
- The motors are available in face mounting and flange mounting.

5. SMMG motors SMMG 112 & 132

Application:

Applications: the SMMG motors are suitable for the SNB & SNK pumps ranges.

Features:

- The SMMG motor Body is CI casted.
- The motors are EFF class 2
- The motors are available in face mounting and flange mounting

5. Directors

Mr. Lalit Garg retires by rotation and being eligible, offer himself for reappointment.

Mr. S. S. Raghuwansi retires by rotation and being eligible, offers himself for reappointment.

Mr. Ramesh Patidar re-appointed as

whole-time director for a period of five years.

6. Directors' responsibility statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that

1. That in the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanations relating to material departures.
2. That the Directors selected such accounting policies and applied them consisting and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for 2010-11.
3. That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with provision of the Companies Act, 1956 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities.
4. That the Directors prepared the Annual Accounts on a going concern basis.

7. Fixed deposits

The Company did not accept any public deposit and, as such, no amount on

account or principal or interest on public deposits was outstanding as on the date of the balance sheet.

8. Particulars of employees

No employee was in receipts of remuneration exceeding the limits set out under Section 217 (2A) of the Companies Act, 1956.

9. Insurance

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

10. Auditors

The Auditors M/s Vinay Gandhi & Associates, Chartered Accountants, Indore shall cease to hold office at the end of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

11. Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management discussion and analysis statement.

12. Cost audit

The Report of M/s Mihir Turkhia & Associate, Cost Accountant, relating to Stainless Steel Submersible Pumps and

Motors for the year ended 31st March 2011 will be submitted to the central government in due course.

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

The particulars as prescribed under Section 217(1) (e) of the Act, read with

the Companies (Disclosure of Particulars in the Annexure to this Report)

14. Acknowledgement

The Directors thank the Company's customers, vendors, investors, business associates, banker's, academic institutions for their support to the Company.

The Directors also thank Government of India, the governments of various countries, the concerned state governments, government departments and government agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the SHAKTI family across the world.

Pithampur Distt. Dhar (M.P.)
Dated: 30th August, 2011

For and on behalf of the Board of Directors

Dinesh Patidar
Chairman and Managing Director