



# Transforming destinies

## Forward looking statement

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

We cannot guarantee that these forward-looking state-

ments will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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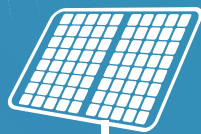
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India intends to  
double farmer  
incomes by 2022.

The revolution needs out-of-the-box thinking and action to reconcile technology with tradition.

One area where this process has already begun is the solar pumps segment.

A stainless steel pump with intrinsically high efficiency combined with high-performance solar panels.

The solar pumping solution is a proven model which is already transforming destinies across India.

Through 24X7 availability of power, higher throughput and increased convenience.

A solar pumps revolution – a giant leap towards increasing farm incomes.

*SHAKTI PUMPS IS  
INDIA'S LEADING  
SOLAR PUMPS  
MANUFACTURERS WITH  
CREDIBILITY.*

## Vision

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

Zero accident

Zero liquid discharge

Zero carbon foot print.

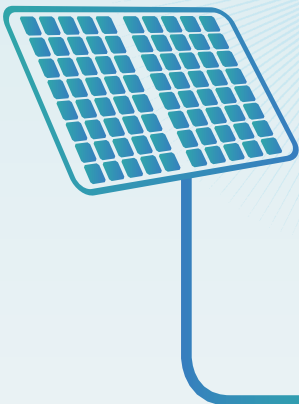
To excel with an emphasis on best business and ethical practice with strong organisational values justifying the interest of all stakeholders.

## Mission

**To** work relentlessly towards coming closer to our vision statement by offering best working environment and training focusing on integrity and ethics.

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

**To** create a safe workplace by reducing injuries, accidents and environmental impact for current and future generations.



The combination of energy-efficient stainless steel pumps and solar energy represents the coming together of two cutting-edge technologies.

When this cutting-edge product can be made accessible across the large underserved segment of the population, significant benefits can be expected.

Shakti Pumps aspires to empower industries, corporates and farmers through energy-efficient agricultural, solar, industrial and residential pumps.

Resulting in effective cost management, higher labour productivity and increased efficiency.

Joining hands with the government to make better and more prosperous India.

## Background

Having commenced operations in 1982, Shakti Pumps is now one of India's most reputed manufacturers of energy-efficient submersible pumps. With a manufacturing capacity of 5,00,000 pumps per annum, the Company services the needs of agricultural, industrial, domestic and horticultural sectors.

Shakti Pumps is a pioneer in the manufacture of energy-efficient stainless steel pumps and motors. State-of-the-art technology, high-tech processes and innovative designs have allowed Shakti Pumps to carve a niche for itself in the market and emerge as a globally-competitive manufacturer.

Shakti Pumps is committed to achieve total customer satisfaction by manufacturing high quality pumps, meeting global benchmarks, providing timely supply and excellent services through team work and continual improvement.

## Presence

The Company's manufacturing units are located in Pithampur DTA and Pithampur SEZ (Indore, Madhya Pradesh). The Company's products are marketed through a network comprising 550 domestic and 90-plus overseas dealers.

### Environment protection

Shakti Pumps is committed to environmental protection, health, safety and welfare of our employees, and meeting expectations of other interested parties including the society. Shakti Pumps shall endeavour to:

**Act** within the framework of an Integrated Management System which comprises ISO 9001:2008 Quality Management Systems, ISO 14001:2004 Environment Management System and OHSAS 18001:2007 Occupational Health and Safety Management System

**Manufacture** high quality products, minimise pollution and injury or ill-health and seek improvement in the efficient use of natural resources

**Adhere** to all applicable statutory requirements related to product, environment, health, safety and employee welfare

**Engage** in the steady improvement of quality, environment, health, safety and social performance parameters and motivate employees towards achieving this goal

**Engage** in ongoing training and motivation of its employees to pay attention to product quality, health, safety, environment and social responsibility

### Infrastructure

Shakti Pumps has state-of-the-art plants along with high-tech machineries and a skilled manpower base help meet the standards of the international market. An annual manufacturing capacity of 500,000 pumps enables the Company to meet changing market demands and comply with stringent regulations.

Shakti Pumps makes full use of a well-developed and highly-motivated R&D department as well as advanced fabrication technology, best materials and methods to create pioneering products.

The Company has installed a computerised testing facility to measure the performance of the pumps produced and compare them with products available in the international market.

### Portfolio

The Company offers 1,500 pump variants that supply fresh drinking water to communities, agricultural, boosting water pressure in high-rises and hotels, aid in firefighting and facilitate waste management schemes in rural and urban communities, among others.

### Exports

The Company is among the most prominent pump exporters from India and has a presence in more than 100 countries across the globe.

### Quality

The Company has invested in cutting-edge manufacturing technologies and equipment from technology leaders like Mazak among others for advanced technological solutions. The Company's manufacturing units are ISO 9001-2008, ISO 14001:2004 and OHSAS 18001:2007-certified.

### Listing

The Company's shares are listed and traded on the Bombay Stock Exchange (stock code: 531431) and the National Stock Exchange (stock code: SHAKTIPUMP). The Company's market capitalisation as on 31st March 2017 stood at ₹360 crore.

### Awards and accolades



**The Company** was conferred with the Indian Exporter's Excellence Award 2015 in the 'Best Focus Product Exporter' category By ECGC – Dun & Bradstreet

**The Company** was awarded the Trophy for Excellence at the Make in India National Conclave 2014 in the 'Excellence in the Field of Industry' category.

**The Company** was honoured with the Udyog Ratan Award by the Institute of Economic Studies (New Delhi) and Excellence Award by the Institute of Economic Studies (Bangalore) for 2014.

**The Company** was bestowed the 'Special Contribution' award by the Engineering Export Promotion Council in the 'Large Enterprise' category for being the 'Highest Exporter in Thrust Markets for Thrust Products' for 2014.

**The Company** was recognised as the Best SEZ Exporter by ECGC and Outstanding Pump Company by EPC.

# How we have grown our business across the decades

1982

Started as SSI unit by the Indore-based Patidar family

1986

Commenced operations at a full-fledged manufacturing unit

1989

Received BIS certificate

1995

Became a public limited company; announced initial public offerings and got listed on the BSE

1998

Received ISO 9001:2000 certification, focused on direct exports

2003

Received 'CE mark'; extended exports presence to 20 countries

2006

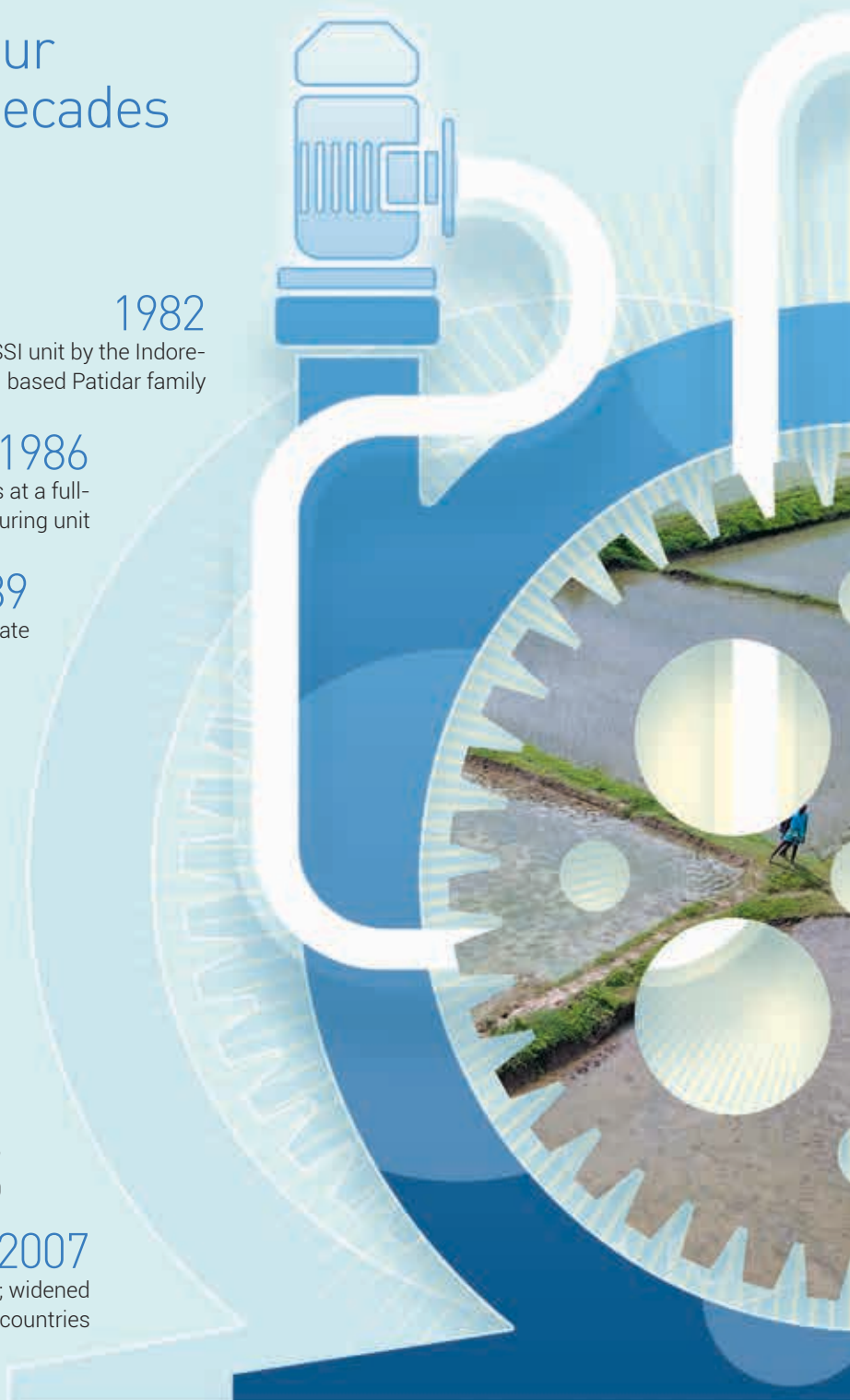
Received 'One-Star-Export House' status, re-certified with ISO 9001:2000

2007

Implemented SAP across verticals; widened geographical footprint to 50 countries

2008

Commissioned SEZ unit; expanded DTA unit capacity to 4.5 lac pumps





## 2009

Became the first company to receive '5-star' rating from BEE in the pumps segment

## 2010

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

## 2012

Completed separate booster pump unit; launched solar pumping solutions

## 2013

Received the 'Best SEZ Exporter – ECGC and Outstanding Pump Company' award

Amitabh Bachchan roped in as the brand ambassador

## 2014

Received the 'Corporate Excellence' award at the Make in India National Conclave

## 2015

Received 'ECGC - D&B Indian Exporter's Excellence Award' in the 'Best Focus Product Exporter' category

Received ISO 14001:2004 and OHSAS 18001:2007 certifications

## 2016

Emerged as one of the largest solar pumping manufacturers; collaborated with IIT Delhi for product improvement

## 2017

Launched a best-in-class motor



Our customers are at the heart of  
our country's development agenda



more than  
**550** Dealers across 13 states in  
India



## Our performance

At Shakti Pumps, we aim to create a company catalysed by innovative business strategies and respected for its ability to add value at the hands of its stakeholders.



Focus on solar pumps segment to drive growth



Increase share of non-Middle Eastern exports



Grow presence in new industrial markets



Move up the value chain across the retail segment

## Key focus areas



Increase focus on solar pump business



Reinforce ties with like distributors and consultants



Strengthen presence in the US, Asian and African markets



Recruit, train and retain quality intellectual resources



Create value for stakeholders

## Measuring our performance ambition



### Profitable growth

**Total income:** Grew by 51% in FY2016-17

**EBIDTA margin:** Grew 375 bps to 14.6% in FY2016-17



### Financial mechanics

**Average cost of debt:** 10.9%, 2016-17

**Debt-equity ratio:** below 0.5 as on 31 March 2017

**Interest cover:** 3.8x as on 31 March 2017


# Shakti Pumps. Indian origin. Global player.



Shakti Pumps is present across all the regions globally. We are aiming at penetrating deeper across every region. New products along with association with better dealers and distributors and consultants will lead future growth.

**100**  
countries

Number of countries where Shakti Pumps has an export presence with three subsidiaries and more than 90 dealers

 Indicates where Shakti Pumps is present.

*Map not to scale*