

CONSERVE. SERVE. PRESERVE.

Robust Strategy. Rapid Execution. Sustainable Value.



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INVESTOR INFORMATION

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’)

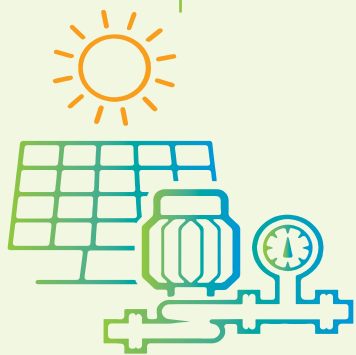
DISCLAIMER: This document contains statements about expected future events and financials of Shakti Pumps (India) Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant 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

PRIOR

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



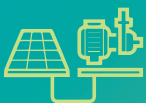
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Branches across India



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

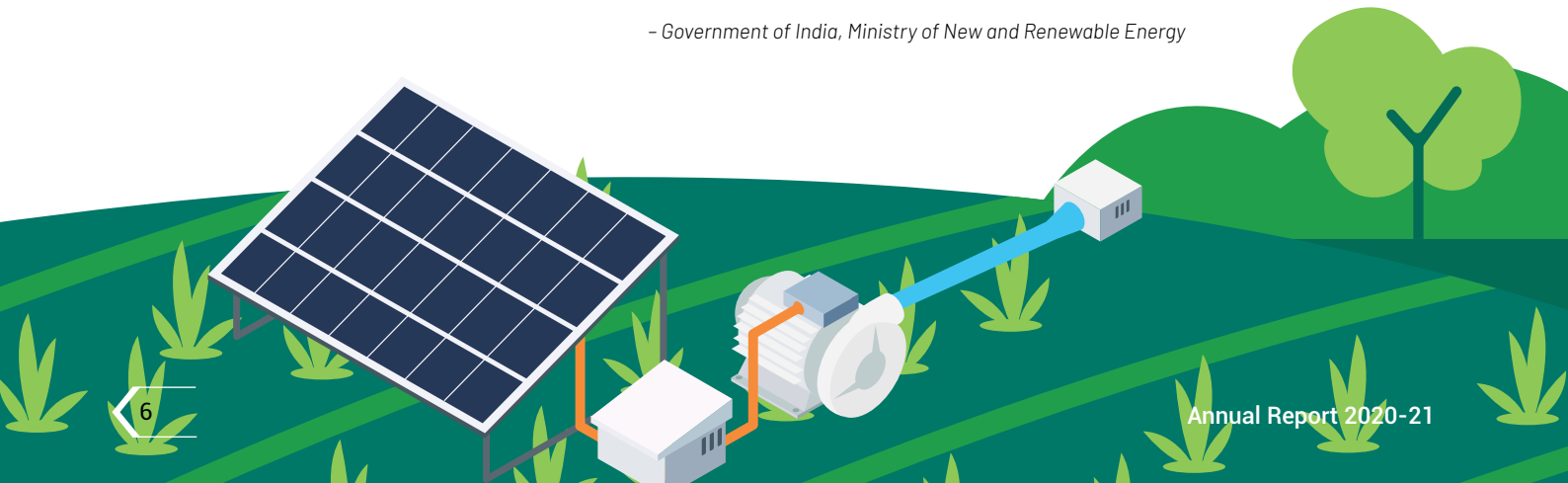
Solar-powered irrigation is a huge opportunity for India. PM Kusum Scheme was promulgated by the MNRE, Government of India, in 2019. It aimed to bring prosperity to the lives of farmers by connecting agricultural land with modern technology. Under this Scheme, the farmers are helped to develop solar 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 savings 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.

