



देश का पम्प शक्ति सोलर पम्प DESH KA PUMP SHAKTI SOLAR PUMP

Annual Report 2022-23



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Shakti Pumps, a pioneer since 1982, embodies innovation and sustainability. With 30% domestic market share under PM KUSUM, it's a powerhouse of progress. From stainless-steel pumps to energy-efficient motors, Shakti thrives on excellence, accredited as a Star Export House by the Government. Its in-house manufacturing spans Variable Frequency Drives, Motors, Structures, and Inventors. This industrial symphony in Madhya Pradesh produces 500,000 units annually, resonating with Shakti's energy. With "Make in India" at its core, Shakti Pumps fuels growth, enriching fields, lives, and the nation's rhythm of advancement.



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Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward- looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/ images of our facilities, products or of any such nature/kind

चेयरमैन का संदेश



प्रिय शेयरहोल्डर्स,

मैं दिनेश पाटीदार, शक्ति पम्पस् इंडिया लिमिटेड की 28वीं वार्षिक रिपोर्ट प्रस्तुत करते हुए उत्साहित हूँ। यह वार्षिक रिपोर्ट इस मायने में बेहतर है क्योंकि, पिछले वर्ष हमारा ध्यान सामान्य व्यवसाय के साथ तकनीक पर काम कर भविष्य तैयार करने पर रहा है।

पूरी दुनिया की राह पर चलते हुए एक ओर जहां पम्पिंग सॉल्यूशंस भारतीय अर्थव्यवस्था की मजबूत रीढ़ की हड्डी बनाता जा रहा है खेती-किसानी और उद्योगों में सफल होने के बाद अब घरेलू क्षेत्र में भी इसका प्रयोग हो रहा है, वहीं दूसरी ओर बैटरी से चलने वाले वाहनों ने बाजार में अपनी पकड़ लगातार मजबूत की है।

एक और महत्वपूर्ण बात यह है कि पिछले कुछ वर्षों में हमने संगठन के रूप में सफलता प्राप्त की है।

इंडस्ट्री के नजरिये से

पिछले वर्ष आपकी कंपनी ने सौ प्रतिशत स्वामित्व वाली इलेक्ट्रिक वाहनों के लिए मोटर्स और कन्ट्रोलर्स बनाने के लिए 'शक्ति ईवी' के नाम से एक कंपनी शुरू की थी। मोटर्स और कन्ट्रोलर्स की तकनीक पर युवा और उत्साहित रिसर्च टीम ने बहुत मेहनत की है। प्राथमिक सफलता के रूप में कई कंपनियों में हमारे प्रोडक्ट का डिजाइन स्वीकार कर लिया गया है। और हम इसी से प्रेरणा लेकर मोटर और कन्ट्रोलर डिजाईन एवं निर्माण कर रहे हैं।

आपको पता है कि हमने पिछले कई वर्षों से मोटर एवं पम्पस के रिसर्च एवं डेवलपमेंट पर काम किया है। उत्पादकता बढ़ाने, लागत कम करने और एनर्जी सेविंग प्रोडक्ट तैयार करने के प्रयासों से आने वाले दिनों में बढ़त दिखाई दे रही है। हमें विश्वास है कि हमने खास तकनीक विकसित करने से जो पेटेंट प्राप्त किए हैं उनका फायदा आने वाले समय में हमारे शेयरहोल्डर्स को प्राप्त होगा।

मैं बहुत ही विनम्रता और विश्वास के साथ शेयरहोल्डर्स को बताना चाहता हूँ कि हमने **Switching Circuit to Start Single Phase Induction Motor** तैयार की है। इसका अर्थ यह है कि किसी भी मोटर को चलाने के लिए एक कन्ट्रोल पैनल की आवश्यकता होती है जिसके खराब हो जाने के कारण हमने मोटर में ही ऐसी पेटेंटेड तकनीक डाल दी है, कि वह बिना कन्ट्रोल पैनल के स्टार्ट हो सके। यह पेटेंट आज और आने वाले समय में ग्राहकों और कंपनी दोनों के लिए एक बड़ी उपलब्धि साबित होगा।

हमने आपूर्ति श्रृंखला यानि सप्लाय चेन को बेहतर करने के लिए प्रयास किये हैं, जो सफल रहे हैं और इसे और सुचारु ढंग से चलाने के लिए हम लगातार प्रयासरत हैं।



हमारा व्यावसायिक प्रदर्शन पिछले वर्ष की तुलना में हमारे अनुमानों से कमजोर रहा। हम पीएम कुसुम स्कीम के भरोसे शानदार प्रदर्शन करने की तैयारी में लगे रहे, उधर अंतर्राष्ट्रीय परिस्थितियों और कच्चे माल के भावों में अस्थिरता के चलते निश्चित ऑर्डर्स होते हुए भी हमने उन्हें प्रॉफिट मार्जिन ना होने के कारण आपूर्ति नहीं की। इसके बावजूद, सभी बचे हुए ऑर्डर्स पर काम हो गया है। बेहतर कीमतों की उम्मीद की वजह से कुछ ऑर्डर्स अभी हमने रोके हुए हैं।

हम अभी कई राज्यों में कार्य कर रहे हैं तथा आने वाले समय में (SECI) द्वारा पीएम-कुसुम योजना फेस-III के तहत 8.57 लाख सोलर पंप के लिए नए टेंडर में कंपनी को और अधिक बिजनेस मिलने की उम्मीद है।

आर्थिक प्रदर्शन

वर्ष 2022-23 में प्राप्त राजस्व रु. 967.7 करोड़ रहा, जिसमें निर्यात का बड़ा योगदान रहा है। कच्चे माल की कीमतों में अप्रत्याशित वृद्धि के कारण सोलर ईपीसी व्यवसाय में कमी आई जिसके कारण आय में करीब 18 प्रतिशत की कमी रही। एक्सपोर्ट बिजनेस लगातार अच्छा प्रदर्शन कर रहा है, वित्त वर्ष 2023 में एक्सपोर्ट से होने वाली आय 27 प्रतिशत की बढ़ोतरी के साथ 232-54 करोड़ रुपये हुई। PAT FY2022& 23 में 24.1 करोड़ रुपये और EBITDA 66.6 करोड़ पर EBITDA मार्जिन के साथ 6.9 प्रतिशत रहा। इस बार हमारी US की कंपनी ने हमें बहुत अच्छा रिजल्ट दिया है। हमें लगता है आने वाले समय में हमारी कंपनी और अच्छा कार्य करेगी। पिछले वर्ष हमें US से लाभांश भी प्राप्त हुए हैं। हमारी दुबई की कंपनी ने भी अच्छा कार्य किया है तथा आगे आने वाले समय में अच्छे व्यापार की आशा है।

निर्यात पर जोर

FY2023 में, मध्य पूर्व, संयुक्त राज्य अमेरिका और अफ्रीका में एक्सपोर्ट ने कुल राजस्व का 24.6 प्रतिशत योगदान दिया। यह भारत में बढ़ते मैन्युफेक्चरिंग एक्सपोर्ट का लाभ उठाने के लिए तैयार है, जो पिछले कुछ वर्षों में तेजी से बढ़ रहा है। शक्ति पम्पस् टेक्नोलॉजी और अपग्रेडेशन में भी निवेश कर रहा है। जो कि एक बेहतर एक्सपोर्ट बनने की लिए आवश्यक है व जिसके लिए हम तैयारी कर रहे हैं।

सरकार का योगदान

हमारे उद्योग के लिए, भारत सरकार की भूमिका अहम रही है। प्रधानमंत्री जी की कुसुम योजना जिसका उद्देश्य किसानों को सोलर पम्पस लगाने के लिए अनुदान देकर कृषि के क्षेत्र में ग्रीन एनर्जी को बढ़ावा देना रहा है, ने हमें आगे बढ़ने में मदद

की है। भविष्यवादी दृष्टिकोण रखते हुए हमने ग्रीन एनर्जी की ओर कदम बढ़ाए हैं और हमारी शक्ति पम्प की पूरी टीम की कोशिश रहेगी कि हम अपने शेयरहोल्डर्स को टेक्नोलॉजी और व्यावसायिक सफलता का एक मजबूत अवसर दिला पाएँ।

शक्ति पम्पस् के लिए दिखाई दे रहे मौकों के साथ, मुझे यकीन है कि हम सभी आने वाले समय में अधिक ऊंचाइयों तक पहुंचेंगे।

कृतज्ञता रिमार्क

एक बार पुनः शेयरहोल्डर्स का अभिनन्दन करते हुए बताना चाहूंगा कि आपकी कंपनी ने भविष्य की टेक्नोलॉजी तैयार करने पर काम किया है और मुझे भरोसा है कि एक टीम के रूप में हम आने वाले समय में आपकी अपेक्षाओं पर खरे उतरेंगे।

धन्यवाद!

दिनेश पाटीदार

चेयरमैन

FROM THE DESK OF CHAIRMAN



DEAR SHAREHOLDERS,

I, Dinesh Patidar, welcome you all to the 28th Annual Report of Shakti Pumps (India) Ltd. for the financial year ending 31st March 2023.

Pumping industry has been the backbone of almost all economies – either through the use in agriculture or in industry as well as its application in the domestic sector. As an organization, we have achieved success in the past few years.

INDUSTRY – BIRD'S EYE VIEW

India's share in the USD 96 billion world pump market is about 1.5% and the industry should target a substantial increase in this percentage. With the China+1 policy, the doors for pump manufacturers, amongst others, have opened up, with a plethora of opportunities.

Let us now proceed towards a snapshot of the business at Shakti Pumps for the year gone by.

With a view towards incorporating climate change factors in its purview, Shakti EV was incorporated, which is a 100% subsidiary. The subsidiary is currently engaged in the EV segment and is responsible for the manufacture and sale of EV motors, charging stations, EV controller, electric control panels, smart electric control panels, VFDs and other items. Manufacture of homegrown motors for two-wheelers, three-wheelers and four-wheelers is the forte of the Company, which it has developed to be in alignment with the Make in India initiative. After immense research and development in this segment, we have successfully got approval from other companies and we have manufactured the motors and controllers for them.

As you all know, we have been working continuously working on the R&D of motor pumps. This has led to growth of the company and increase in productivity. Energy conservation is another focus area of the company. The patents which we have been filed and got approved will be conferring various benefits to the shareholders in the coming years.

It is with immense pride that I convey to all the stakeholders that SPIL received patent for inventing a 'Switching Circuit to Start Single Phase Induction Motor' from "Intellectual Property India, a Ministry of Commerce & Industry Organisation". For most of the pumps manufactured in India as well as in other countries, there is a requirement of control panels, that often get damaged. This has led us to developing a pump which can start automatically without a control panel and we have also received the patent for the same. All our stakeholders especially our customers and our shareholders will have great advantage due to this technology. This patent is an outcome of the technology upgradation and environment conducive efforts.

The company has also achieved success in streamlining and improving the supply chain, though we have not

been able to meet the financial levels of last year. Though there were plans to go robust with the PM KUSUM scheme, the global economic scenario due to geo political tensions and raw material price fluctuations was not very conducive for our operations. In spite of having new orders, due to supply chain constraints causing pricing concerns, we did not execute them due to lesser profit margins. However, all pending orders have been executed. Some orders are on hold, with some expectation of better pricing and the rates have been confirmed with current prices.

Presently Shakti Pumps is working in many states and in near future we are expecting to receive new orders under PM-KUSUM scheme III, approximately 8.57 lakh solar pumps has sanctioned by SECI under the PM KUSUM Scheme.

The Uganda project has also commenced in the year, which aligns with the green energy plans in Africa. Collaboration for similar projects is expected from the adjoining African nations as well. SPIL is already a preferred partner for major export markets in USA and the Middle East and efforts are being taken to expand this into other continents as well.

FINANCIAL OVERVIEW

The revenue generated in the year 2022-23 was Rs. 9,677 million, with major contribution from exports. The revenues showed a decline of 18% y-o-y, due to the slowdown in the Solar EPC business, caused due to a sharp increase in raw material prices. The export business has been a consistent performer, with export revenue growing by 27% y-o-y to Rs 2,348 million in FY2023. PAT was at Rs. 241 million in FY2023 and EBITDA at Rs. 666 million with an EBITDA margin of 6.9%.

Shakti has exhibited excellent performance as well as profits in USA in the last financial year and anticipates better performance in coming years. The setup in Dubai has also contributed positively to our results.

EXPORT EMPHASIS

In FY2023, the exports to the Middle East, USA and Africa contributed to 24.6% of the total revenue. Shakti Pumps has been investing heavily in enhanced R&D and technological upgradation and is intent on patents and innovations. It is poised to capitalize on the increasing manufacturing exports in India, which has been growing at a rapid pace over the last few years.

THE ROLE OF THE GOVERNMENT

For our industry, the Government of India has been a great support system. With the introduction of Pradhan Mantri - Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM KUSUM) scheme, there has been no looking back. This flagship scheme, which has been launched through tendering in phases, aims at promoting the use of renewable energy in agriculture by providing subsidy to

farmers for installation of solar pumps. With different components of the scheme coming into action in different phases, Shakti Pumps has developed its business through geographical expansion as well as increase in production capacity.

FUTURISTIC OUTLOOK

Going a step beyond maintaining leadership position in the country, Shakti Pumps has exhibited export competency over the last few years. We hope to continue this dominance in both national and international markets in the coming years as well, with our innovative spirit, dedication and team work. The Company has already ventured into green energy and will continue to delve deeper, heeding to climate change in more than serious ways. Its ability for end-to-end manufacturing by pioneering ground-breaking products whilst simultaneously meeting the demands of a diverse customer base across industries is the underlying power of Shakti. With a wide spectrum of opportunities available to Shakti Pumps, I am sure all of us would reach greater heights in the years to come.

GRATITUDE REMARKS

I hereby extend my heartfelt gratitude and appreciation to the stakeholders. Without the strong belief of the shareholders, customers, employees and all across the value chain, this progress would not have been possible. The Company has developed excellent technology and I am confident that it will give positive results in the coming years.

Warm regards,

Dinesh Patidar
Chairman

ABOUT THE REPORT

The Integrated Annual Report for Shakti Pumps (India) Limited, henceforth referred to as SPIL, presents the financial and non-financial performance for the period between April 1, 2022 and March 31, 2023. It also covers discussions on the material issues and contribution to ESG initiatives. This Report adheres to the Integrated Reporting framework and GRI Standards.

The Report covers all the financial, non-financial, operational and social activities of the Company. The Report defines the organisational objectives and strategies, the business model and the subsequent value creation process, material issues, risk management and the opportunity landscape. As a Company, SPIL is committed to transparently disclosing information beyond the statutory norms, in order to facilitate informed decision-making by its stakeholders, based on the evaluation of its performance. It is also ensured that comprehensive yet concise information is communicated to all the stakeholders.

The report includes Business Responsibility and Sustainability Report (BRSR) for compliance and communication. The BRSR template helps the Company be

accountable for the identification of ESG responsibilities and their transparent inclusion in annual reports. The BRSR also helps create a linkage between the operational and ESG performance of the company.

BOUNDARY AND SCOPE OF REPORTING

The report has included voluntary management narratives on the Company's business, strategy and performance along with the mandatory board's report and financial statements and Business Responsibility and Sustainability Report

RESPONSIBILITY STATEMENT

The Board firmly believes that this report is a fair representation of the Company's financial, non-financial,

sustainability and operational performance and addresses all material topics relevant to the Company for FY 2022-23. The Board acknowledges that the contents of this report have been prepared by the respective functions and businesses under the guidance of the senior management

BOARD ASSURANCE

The management has evaluated the contents presented in the Report and accepts the responsibility for its integrity. The Board is of the opinion that the Report addresses all material issues and provides a fair and balanced view of the Company's performance.

FORWARD-LOOKING STATEMENTS

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 statements will be realised, although we believe we have been prudent in our 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 statement, whether as a result of new information, future events or otherwise.

ABOUT US

‘SHAKTI’ personifies the rudimentary cosmic energy and many believe that it is the force that is responsible for the existence of the Universe. Shakti Pumps is the force behind India’s one major revolution, irrigation and pumping of the farmlands.

A pioneer in manufacturing 100% Energy Efficient Stainless-Steel Submersible Solar Pumps & Motors, Shakti Pumps (India) Ltd. has firmly established itself in the pumps industry with more than 30% market share in the domestic market under the PM KUSUM scheme. The Company was incorporated in 1982 and is being steered by Mr. Dinesh Patidar since then. SPIL has been accredited as Star Export House by Government of India.

Shakti Pumps launched its business as a core pumping solutions company and elevated itself to becoming the first manufacturing unit for stainless steel pumps and energy efficient motors. It has been certified by Bureau of Energy Efficiency (BEE) with five-star ratings.

SPIL is the only company with in-house manufacturing of a whole range of products including Variable Frequency Drives, Structures, Motors and Inventors for solar pump installation. These products have varied applications and are manufactured in more than 1,200 variants. The products have wide-ranging applications in sectors such as agriculture, building services, oil and gas, power, metals and mining. With advanced

in-house R&D and robust backend support, the production facility at Pithampur, Madhya Pradesh churns out close to 5,00,000 units per annum.

The Company’s strong brand recall has empowered it to make immense contribution to the industry as well as create value for its stakeholders. Making the pumping system in India robust, durable and hygienic, Shakti Pumps has led initiatives like Make in India with in-house research and manufacturing capabilities.

