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Shakti Pumps (India) Limited | Annual Report 2012-13



DISCLOSURE

The disclosures of forward-looking information contained in this annual report are made to enable investors to comprehend the prospects and make informed investment decisions. This report and other statements – written or oral – may contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. Maximum effort has been made 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.

However, the entire realization of these forward looking statements cannot be guaranteed, although the assumptions have been prudent enough to rely upon. The achievement of results is subject to risks, uncertainties and unforeseen events. 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. The management does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future event 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 **Eighteenth** Annual General Meeting of the members to be held on Friday, 27th September, 2013 at 10.00 A.M. IST at the Registered Office of the Company at Plot No. 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 Eighteenth Annual General Meeting of the members of Shakti Pumps (India) Limited will be held on Friday, 27th September, 2013 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, 2013 and the Profit & 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, 2013.
3. To elect Director in place of Mr. S.S. Raghuwansi who

retires by rotations and being eligible offer himself for re-appointment.

4. To elect Director in place of Mr. Navin Patwa who retires by rotations and being eligible offer himself for re-appointment.
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) Limited

Place: Pithampur
Date: 12th August, 2013

Dinesh Patidar
Managing Director



As Special Business

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Sections 198,269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approval as may be necessary, salary of Mr. Ramesh Patidar, Executive Director of the Company be and is hereby increased from ₹1,10,000/- to ₹1,60,000/- per month with effect from 1.4.2013 for the remaining period of his tenure expiring on 16.10.2016 and other perquisite will remain the same.”

By Order of Board
For Shakti Pumps (India) Limited

Place: Pithampur
Date: 12th August, 2013

Dinesh Patidar
Managing Director

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

Item No. 6

In view of recommendation of Remuneration Committee the Board of Directors in their meeting held on 12.08.2013 increased remuneration payable to Mr. Ramesh Patidar, Executive Director from ₹1,10,000/- to ₹1,60,000/- per month with effect from 01.04.2013, other terms of appointment remains the same.

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

By Order of Board
For Shakti Pumps (India) Limited

Place: Pithampur
Date: 12th August, 2013

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 shall remain closed from 21st September, 2013 to 27th September, 2013 (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 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 as per the requirements of

SEBI, henceforth all the members are requested to get their shares dematerialised at the earliest.

9. The shareholders are hereby informed that all the 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 re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. S.S. Raghuwansi	Mr. Navin Patwa
Date of Birth	21st December, 1935	14th August, 1975
Expertise in specific functional areas	Completed major water supply projects-Indore, Ujjain, Gwalior and Jabalpur	Corporate Laws
Date of appointment	1st September, 2005	18th January, 2012
Qualification	B.E. (Hons) Civil Engineering	ACS, LL.B.
List of outside Directorship held in Public Company	Nil	1. Sam Capital Markets Limited 2. J G Industries Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee and Remuneration Committee	Chairman of Audit Committee and Member of Remuneration Committee
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil

By Order of Board
For Shakti Pumps (India) Limited

Place: Pithampur
Date: 12th August, 2013

Dinesh Patidar
Managing Director

REPORT OF THE BOARD OF DIRECTORS

For the year ended 31st March, 2013



To the members,

We are delighted to present the report on our business and operations for the year ended March 31, 2013

1. Result of Our Operations

	(In Lakhs)	
	2011-12	2012-13
Gross Turnover	19305.81	21033.54
Operating Profit Before Interest, Depreciation and Tax	3195.36	3838.36
Interest and other Financial Charges (Net)	929.04	1218.46
Depreciation and Amortisation	405.15	500.53
Provision for Taxation	443.72	274.77
Net Profit	1417.45	1844.59
Add: Balance brought forward from the previous year	1417.45	1844.59
Profit Available for Appropriation		
Appropriations		
Proposed Dividend on Equity Shares	140.43	152.44
Tax on Proposed Dividend	22.78	24.28
General Reserve	1237.21	1667.87

2. Dividend

Based on Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of Re.1/-per share for the financial year 2012-13. The final dividend, if approved by the members would involve a cash outflow of ₹176.72 Lakhs including dividend tax.

3. Company's Performance

During the financial year 2012-13, the global economic environment was on a slow growth path. During the year, your Company has registered a turnover ₹21033.54 Lakhs as compared ₹19305.81 Lakhs showing an increase of 9% over the previous year turnover. The export of the Company increased from ₹11125.61 Lakhs to ₹13822.43 Lakhs showing an increase of 24.23% over the previous year owing to enhanced production and better product/market penetration.

The Company earned profit before depreciation, interest and tax of ₹3838.36 Lakhs as against ₹3195.36 Lakhs in the previous year, showing a growth of 20%

4. Future Outlook

Despite only moderate growth in the global economy, we expect order intake and sales revenue to grow in coming years. In next three years we incline to achieve top line of ₹600 crore with the net margin of 9-10%. We have plans to register our presence in all BRICS, G20 and European Union and in other growing countries in coming years. Shakti is also committed to increase the Branch Network to 30 and Dealer network to 100 in coming two year. We assume in coming years, govt. focus will be on energy, conservation with star rated pumps and international focus on renewable energy products like solar pumps will drive our growth. Solar pumping solutions are the next big buzz in the sector as many state govt. with MNRE are coming up with solar pumping projects. With our strong R&D capabilities we are moving towards industrial pumps, solar pumps to target institutional and Govt. business. We have also plans to set up or acquire small plants in other region of the country so we can cater across regions in coming two years. Expansion of the standard business, continued development products and after sales service will be important priorities.

Innovation and R&D is the key of long sustainability, we have plans to launch many new products like high capacity solar pumps, enhance the range of booster pumps, upgraded open well pumps, and hydro pneumatic systems and update

products as per customer requirements. We are also in process to develop high quality energy conservative sewage pumps, slurry pumps, waste water pumps, hot water pumps etc.

5. Directors

Mr. Navin Patwa retires by rotation and being eligible, offer himself for re-appointment.

Mr. S.S. Raghuwansi retires by rotation and being eligible, offers himself for re-appointment.

6. Directors' Responsibility Statement

Pursuant to requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. That the Directors selected such accounting policies and applied them consistently 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 2012-13.
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. Human Resource Development

SHAKTI draws its strength from a highly engaged and motivated workforce, whose collective passion and commitment has helped the organisation scale new heights. Our employees are the most valuable assets of the Company. We encourage innovation, meritocracy and the pursuit of excellence.

8. Shakti Foundation

We established the Shakti Foundation in November, 2012, as a non-profit trust to support our social initiatives. The foundation supports programs and organisation devoted to the welfare of the destitute, rural poor, and economically disadvantaged section of the society.



We express our gratitude to the honorary trustees of the Foundation for contributing their valuable time and energy to its activities.

9. Awards/Recognitions

During the year, the Company received various awards and recognitions, some of which are given below:

- ▶ Awarded "2012 EPC Outstanding Pump Company award"
- ▶ Awarded "Best SEZ Exporter" & Second Runner-up for the category "Best Manufacturer-Exporter (Medium) –'ECGC- D&B Indian Exporters' Excellence Awards 2012' by ECGC- D&B.
- ▶ Awarded "POWER BRANDS RISING STATR-2013" at Las Vegas by Glam me awards Planman Consulting.

10. Internal Control System

The Company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

11. 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.

12. Particulars of employees

No employee was in receipts of remuneration exceeding the limits set out under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

13. Insurance

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

14. Auditors

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

15. Cost Audit

The Report of M/s Mihir Turkhia & Associate, Cost Accountant, relating to Pumps and Motors for the year ended 31st March, 2013 will be submitted to the Central Government in due course.

16. Secretarial Audit Report

As a measure of good Corporate Governance practice the Board of Directors appointed Mr. Manish Maheshwari, Practicing Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2013 is provided in the Annual Report.

17. Corporate Governance Report and Management Discussion and Analysis Statement.

The Company is committed to maintained the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis Statement.

18. 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)

19. 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 Government of various countries, the concerned State Governments, Government departments and Government agencies for their co-operation.

The Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Place: Pithampur

Dinesh Patidar

Date: 12th August, 2013

Chairman and Managing Director

Research & Development

1.	Specific areas in which R & D carried out by the Company.	The in-house Research & Development activities resulted in the development of new products of the Company during the previous year. This also helps in improvement in existing models.
2.	Benefit derived as a result	Better market coverage and new market development, cost reduction and energy saving.
3.	Future plan on R & D	To develop new models and products
4.	Expenditure on R & D	₹2.19 Crores

B. Technology absorption, adaptation and innovation

1.	Efforts in brief made towards technology absorption	Technology developed by R & D department is fully absorbed for development in the existing product and new models.
2.	Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development and import substitution, among others.	Increased efficiency and better performance and wider product range
	(a) Technology imported	Nil
	(b) Year of import	Not applicable
	(c) Has technology been fully absorbed	Not applicable
	(d) If no fully absorbed areas where this has not taken place reasons thereof and future plans of action	Not applicable

Conservation of energy

(a)	Energy conservation measures taken	Maintained the power factor 0.97 to 0.99 by installing automatic capacitors operating system. Using inverter based welding transformer and condenser based projection welding machine and installation of energy meter.
(b)	Additional measures proposed to be taken	Replacing conventional machines by CNC and automatic machines. Designing of latest model fixtures to increase productivity.
(c)	Impact of measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods.	Reduction in the cost of production

MANAGEMENT DISCUSSION AND ANALYSIS



Overview

The financial statements have been prepared in compliance with the requirements of Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect a true and fair picture of the Company.

Industry Structure and Development

The Indian pump industry is estimated to be ₹8000 crores in 2012-13. It is likely to grow at 8% and expected to reach ₹18000 crores by 2017-18. The market demand is driven by infrastructure based spending, urbanisation, growth in manufacturing activity, refurbishment & upgradation and overall increase in the population, insufficient rains and falling water tables have led to demand for improvement in hydraulics and pump efficiency.

The rising cost of oil has positively influenced the demand for energy conservative pumps and pumps driven by renewable energy sources. There will be strong demand for pumps from developing countries like China and India due to industrialisation and investment in water and power segments. The developed

nations propose to repair and upgrade their old water infrastructure. This will lead to good replacement demand for pumps in developed countries.

Opportunities and Threats

Infrastructure developments in BRIC countries, urbanisation in Asia Pacific countries resulted in more demand on power and fuel that would considerably contribute for growth in pump & valves Industry. The shift in demand for pumps in India from unorganised sector to organised sector is happening faster.

- ▶ Most Governments are insisting on the use of Star-rated pumps wherever it is subsidising their purchase on account of higher energy efficiency.
- ▶ With labour getting scare and expensive, there is a greater preference among agriculturist to work with branded models that promise a higher uptime, circumventing the need to invest in submersible pump extraction, repair or replacement.

The result is that the market share of the country's unorganised sector has steadily declined from 95% to 80%; the performance of the organised sector growth over the unorganised provides the industry optimism. The water management infrastructure

will fuel the growth of pump industry by 6% to 8% on an annual basis.

Replacement Market- BEE estimated Agriculture accounts for about 27% of electricity consumption in the country, which is increasing due to rural electrification efforts of the Government. The electricity is largely used in agricultural pump sets which generally have poor efficiency. Most of the pilot projects as well as other studies project potential of 40-50% by mere replacement of inefficient pumps. Overall electricity saving (from 20 million pumps) is estimated at 62.1 billion units annually. This is estimated to translate in to the yearly savings of ₹1800 crores, which reduce the subsidy burden of states with that same amount.

Government Focus on Solar Pumping Solution: India has acute shortage of electricity and natural resources like coal and fuels. We are highly dependent on imports of coal and fuels. Beyond that India has huge distribution loss of electricity. Considering all the facts Government focused increased on renewable energy sources. MNRE has started Solar Energy programs with the help of State Government, NABARD and nodal agencies to promote the solar systems.

The reasons behind the Indian solar sector are:

- ▶ Availability of more efficient solar technologies and Government support.
- ▶ India has very high solar isolation.
- ▶ A huge electricity demand supply gap.
- ▶ Lack of power grid availability.
- ▶ Increasing expenses and unreliable electricity supply.

Segment wise performance

The Company has only one segment namely pumps and motors.

Risks and Concerns-

Some of the risks that are potentially significant in nature and need careful monitoring are raw material price, availability of power among others. The Company is classified as and agriculture appliances industry, the growth of which is determined by the overall growth of agriculture, availability of inputs and the state of the global economy.

Shakti Pumps initiatives to produce sustainable, eco friendly pump products-

Agriculture and water are still contributing highest to pump and electricity consumption. It will continue to provide high volume to Pump Industry. With higher consumption of electricity, Government focus is increasing towards star-rated energy efficient pumps (labeling) and pumps run by renewable energy sources. Industry is moving towards energy conservative pumps which consume less energy and give more output compared to traditional pumps.

Shakti Pumps provide energy conservative stainless steel pumping solutions, which consumes less energy and provide more output. We have invested in technology which is energy conservative and eco-friendly. Shakti is the first Indian pump manufacturer with a Five star rating from Bureau of Energy Efficiency. The Company is accredited with ISO 9001:2000 for quality and certified by the Indian Standards Institute for product safety. Shakti also started manufacturing of solar pumps which are also energy conservative, approved by Ministry of New and Renewable Energy ministry and BEE rated.

Shakti Pumps future growth, expansion plans-

Despite only moderate growth in the global economy, we expect order intake and sales revenue to grow in coming years. In next three years we incline to achieve top line of ₹600 crore with the net margin of 9-10%. We have plans to register our presence in all BRICS, G20 and European Union and in other growing countries in coming years. Shakti is also committed to increase the Branch Network to 30 and Dealer network to 100 in coming two year. We assume in coming years, govt. focus will be on energy, conservation with star rated pumps and international focus on renewable energy products like solar pumps will drive our growth. Solar pumping solutions are the next big buzz in the sector as many state govt. with MNRE are coming up with solar pumping projects. With our strong R&D capabilities we are moving towards industrial pumps, solar pumps to target institutional and Govt. business. We have also plans to set up or acquire small plants in other region of the country so we can cater across regions in coming two years. Expansion of the standard business, continued development products and after sales service will be important priorities.



Shakti pumps intend to introduce new products in near future-

Innovation and R&D is the key of long sustainability, we have plans to launch many new products like high capacity solar pumps, enhance the range of booster pumps, upgraded open well pumps, and hydro pneumatic systems and update products as per customer requirements. We are also in process to develop high quality energy conservative sewage pumps, slurry pumps, waste water pumps, hot water pumps etc.

Internal Control System and Their Adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use. The Company's internal controls are supplemented by an extensive program of internal audit, review by management and documented policies, systems support, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing the annual report and other such documents.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial performance of the Company

During the year, the total turnover was 21033.54 lakhs as compared with 19305.81 Lakhs during the previous year.

Resource Allocation

Fixed Assets

The gross fixed assets as at 31st March, 2013 were at 10603.68 Lakhs as compared with 8041.11 lakhs in the previous financial year.

Working Capital

The net current assets before current maturities of long term debt as at 31st March, 2013 were 4563.56 lakhs as compared with 5149.88 lakhs in the previous year.

Material Developments in Human Resources/Industrial Relation Front

The Company believes that human resources enable it to consistently meet customer requirements and deliver exceptional performances necessary for growth. There is a continuous effort to maintain cordial industrial and employee relations. The Company believes that human resource is its most valuable assets and is thus committed to the welfare of its employees and their families. The Company continuously invests in people through various initiatives which enable the work force to meet the challenges.

Disclaimer Statement

The report on Management Discussion and Analysis deals with the Company's objectives, estimates, expectations and forecasting which may be forward-looking within the meaning of applicable security laws and / or regulations.

The aforesaid statements are based on certain premises and expectations of future events and as such the actual results may however differ materially from those expressed or implied. Government regulations, tax structure, demand supply conditions, raw material costs and availability, finished goods prices and economic development within India and the countries with which the Company has business relationships will have an important bearing on the statements in the above Report.

The foregoing discussions and analysis only set out the management's perception of the Company's environments, in the coming months, which by their very nature are uncertain and may undergo substantial changes in view of the events taking place later. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different, even materially. Subject to this management disclaimer, this discussion and analysis should be perused.

REPORT ON CORPORATE GOVERNANCE



1. Company's Philosophy on Corporate Governance

Corporate Governance refers to the systematic process by which business are operated, regulated and controlled to enhance their wealth generating capacity and fulfill social obligation. Good Corporate Governance ensures that we engage in democratic and open processes and are held accountable for our business decisions. This is vital to gain and retain investor trust.

The Company considers it our inherent responsibility to disclose timely and accurate information regarding our financial and performance. The Company is to constantly endeavor to achieve business excellence and optimise long term value for future growth and ensure that the ambitious plans are achieved in sustainable perspective through ethical business conduct.

The Company is in compliances with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to Corporate Governance.

2. Board of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors having rich knowledge and experience in the industry for providing guidance and direction to the Company. The Board of Directors along with its Committees provides leadership and guidance to the management, thereby enhancing stakeholders' value. The Board reviews strategic business plans, budgets, setting up goals and evaluation performance and investment decision.

Composition of the Board of Directors:

The Company's policy to maintain optimum combination of Executive and Non-Executive Directors. As on 31st March, 2013, the Company has seven Directors with a Executive Chairman. Of the seven Directors, three are Independent Director and one is Nominee Director. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.



S.N.	Name of Directors	Category of Directorship	No. of Board Meetings		Attendance at last AGM	No. of outside directorship in Public Limited held	No. of outside Committees	
			Held	Attd			Member	Chairman
1	Mr. Dinesh Patidar	Executive	8	8	Yes	1		
2	Mr. Sunil Patidar	Executive	8	7	Yes			
3	Mr. Ramesh Patidar	Executive	8	7	Yes			
4	Mr. Rajkumar Jain	Independent	8	2	No			
5	Mr. S.S. Raghuwansi	Independent	8	3	No		1	
6	Ms. Poonam Garg	Nominee	8	2	No	6		
7	Mr. Navin S Patwa	Independent	8	6	Yes	2		

Note:

For reckoning the other Directorship- Private Limited Companies, Foreign Companies and Sec 25 Companies have been excluded. For reckoning the Committee Memberships and Committee Chairmanships-Audit Committee and Shareholders/Investors Grievance Committee alone have been considered.

Regarding disclosure of a pecuniary relationships/transactions of the Independent Directors vis-à-vis the Company, as per Clause 49(1) (B) of the Listing Agreement, there were no materially significant related party transactions during the year having conflict with the interest of the Company.

Board Meetings:

During the financial year, Eight Board meetings were held on 11th May, 2012, 27th July, 2012, 8th August, 2012, 11th October, 2012, 3rd November, 2012, 24th January 2013, 12th February, 2013 and 25th March, 2013.

The necessary quorum was present for all the meetings.

Board Committees

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

Composition of Board level Committees

A. Audit Committee

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292 A of the Companies Act, 1956.
- (ii) The terms of references of the Audit Committee are broadly as under:

- ▶ Review of the Company's financial reporting progress and its financial statements.
- ▶ Compliances with Accounting Standards and changes in accounting policies and practices.
- ▶ Quarterly result of the Company.
- ▶ Discussing and nature and scope of Internal Audit and Internal Controls.
- ▶ Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- ▶ Review of the Audit Report/Work of External Auditors.
- ▶ Review of risk management policies and practices.
- ▶ Recommend appointment of Statutory Auditors.
- ▶ Other matters as set out in the listing agreement.

(iii) The Composition, Meetings and Attendance of the Audit Committee. The dates of the meetings are 11th May 2012, 7th August 2012, 2nd November 2012 and 11th February 2013.

S.N.	Name	Category	Number of meetings during the year 2012-2013	
			Held	Attended
2	Mr. S.S. Raghuwansi	Independent, Non-Executive	4	4
4	Mr. Dinesh Patidar	Executive	4	4
5	Mr. Rajkumar Jain	Independent, Non-Executive	4	1
6	Mr. Navin Patwa	Independent, Non-Executive	4	4

B. Remuneration Committee

(i) The Company has a Remuneration Committee of Directors.

(ii) The broad terms of references of the Remuneration Committee are as under:

- ▶ To approve the annual remuneration plan of the Company;
- ▶ To approve the remuneration and commission/incentive payable to the Managing Director/Executive Director for each financial year;
- ▶ Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/ approve.

(iii) The composition, Meeting and Attendance of the Remuneration Committee

Name	Category	Numbers of meetings during the year 2012-13	
		Held	Attend
Mr. S.S. Raghuwansi	Independent Director	1	1
Mr. Rajkumar Jain	Independent Director	1	1
Mr. Navin S Patwa	Independent Director	1	1

(iv) One meeting of the Remuneration Committee was held during the year on 5th March, 2013.

(v) The Company does not have any Employee Stock Option Scheme.

(vi) Details of Remuneration for the year ended 31st March, 2013.

(In Rupees)

Name	Category	Salary including employer's contribution to provident fund	perquisites	Sitting fees
Mr. Dinesh Patidar	Executive	3936000	Nil	Nil
Mr. Sunil Patidar	Executive	1236000	77,540	Nil
Mr. Ramesh Patidar	Executive	1356000	62,274	Nil
Mr. S.S. Raghuwansi	Independent	Nil	Nil	60,000
Mr. Rajkumar Jain	Independent	Nil	Nil	Nil
Ms. Poonam Garg	Nominee Director	Nil	Nil	40,000
Mr. Navin S Patwa	Independent	Nil	Nil	1,20,000

C. Shareholders/Investors Grievance Committee

- (i) The Company has a Shareholders/Investors Grievance Committee to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/ annual reports, etc.
- (ii) One meeting of the Shareholders/Investors Grievance Committee was held during the year on 3rd Februarys, 2013.
- (iii) The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name	Number of meetings during the year 2012-2013	
	Held	Attended
Mr. Sunil Patidar	1	1
Mr. Prakash Yadav	1	1
Mr. B.R. Patidar	1	1
Mr. Suryapal Yadav	1	1

General body meeting

- ▶ The last three Annual General Meeting and Extra-Ordinary General Meeting

Year	AGM/EGM	Date of AGM/EGM	Time	Venue
2010	AGM	21st December, 2010	9.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	AGM	30th September,2011	10.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2012	AGM	28th September, 2012	10.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	EGM	8th April,2011	11.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	EGM	12th July,2011	11.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2011	EGM	30th November,2011	10.00 A.M.	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

All the resolution set out in the respective notices was passed by the shareholders.

- ▶ Postal ballot- no resolution requiring postal ballot as recommended under Clause 49 of the Listing Agreement was placed for shareholders approval at the meeting.

3. Disclosures

- ▶ The Company does not have any related party transactions, which may have potential conflict with the interests of the Company.

- ▶ The Company has followed the Guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India in preparation of its financial statements.
- ▶ The Company laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control system to identify the risk at appropriate time and to ensure that the executive management controls the risk in properly defined framework.

- ▶ The Company has no material unlisted Indian subsidiary Company as defined in the Clause 49 of the Listing Agreement.
- ▶ The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during last three years.

▶ **Reconciliation of share capital audit**

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.

4. Follow-up measures against 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 the SEBI (Insider Trading Amendment Regulation, 2002. the Code of conduct and corporate disclosure practices framed by the Company will held in ensuring compliances of the amended regulations.

5. Means of Communications

- (i) **Quarterly Results:** The quarterly, financial results of the Company are published in regional newspapers and are displayed on the Company's website www.shaktipumps.com.
- (ii) **News Releases, Presentations, etc.:** Official news releases and Official Media Releases are sent to the Stock Exchanges.
- (iii) **Website:** the Company's website www.shaktipumps.com contains a separate dedicated section 'Financial' 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.

6. General Shareholders Information

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

Day	Friday
Date	27th September, 2013
Time	10.00 A.M
Venue	Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

▶ **Financial calendar 2012-13**

Year ending : 31st March, 2013

AGM in : September

Dividend Payment : The final dividend if declared, shall be paid/credited on or after 1st October, 2013.

▶ **Book Closure Date**

21st September, 2013 to 27th September, 2013 (both days inclusive) on account of AGM and Dividend.

▶ **Listing on the Stock Exchanges:**

(i) Bombay Stock Exchange Limited,
Floor 25, P.J. Towers, Dalal Street,
Mumbai-400001

(ii) Madhya Pradesh Stock Exchange Limited
201, 'Palika Plaza', phase-II, M.T.H. Compound,
Indore-452001

▶ **Trading on the Stock Exchange:**

National Stock Exchange of India Ltd.,
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

▶ **Stock Code:**

(i) Bombay Stock Exchange Limited- 531431

(ii) National Stock Exchange of India Ltd.- SHAKTIPUMP

▶ **Corporate Identification Number (CIN):**

L29120MP1995PLC009327

- ▶ **Stock Market data:** The month-wise highest and lowest and total number of shares traded during the last financial year was as follows



Bombay Stock Exchange Limited

Month	Highest	Lowest	Total No. of Shares traded
Apr 12	49.80	43.35	61971
May 12	46.95	35.35	92063
Jun 12	44.45	35.10	72339
Jul 12	52	36.95	234877
Aug 12	54.45	37.15	679902
Sep 12	57.90	48.65	334384
Oct 12	65.50	49.10	781476
Nov 12	68.90	57.45	998493
Dec 12	73	64.35	545712
Jan 13	72	60.90	344930
Feb 13	65	53.10	246157
Mar 13	57.85	41.50	177475

National Stock Exchange of India Ltd.

Month	Highest	Lowest	Total No. of Shares traded
Apr 12	47.26	42.47	23366
May 12	41.51	38.92	25779
Jun 12	38.42	36.94	46815
Jul 12	43.43	41.10	285708
Aug 12	44.85	40.84	734682
Sep 12	52.86	50.63	326942
Oct 12	59.48	55.80	1027005
Nov 12	64.08	59.86	1570728
Dec 12	68.81	66.20	761213
Jan 13	67.73	65.11	405098
Feb 13	61.99	59.08	342900
Mar 13	51.17	48.8	301738

▶ Registrar and transfer agent:

Adroit Corporate Services Pvt.Ltd.
 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makhwana Road,
 Marol Naka, Andheri (E), Mumbai 400059, India.
 Ph. No. - (022) 28594060, 28596060
 Fax No. - (022) 28503748
 Email - pratapp@adroitcorporate.com

▶ Share transfer system

Share transfer are registered and returned within a period of 15 days from the date of receipt provided the documents are correct and valid in all respects.

► Shareholding as on 31st March, 2013:

(a) Distribution of Shareholding as on 31st March, 2013

Range of equity shares held	No. of Shareholders	%	Number of Shares	Face Value per equity shares (in ₹)	% of shareholding
Up to-00500	4722	82.25	729784	7297840	4.79
00501-01,000	469	8.17	379256	3792560	2.49
01,001-02,000	268	4.67	423032	4230320	2.78
02,001-03,000	87	1.52	219724	2197240	1.44
03,001-04,000	53	0.92	192593	1925930	1.26
04,001-05,000	26	0.45	119578	1195780	0.78
05,001-10,000	62	1.08	427146	4271460	2.80
10,000 and Above	54	0.94	12752680	127526800	83.66
Total	5741	100	15243793	152437930	100

(b) Categories of Shareholding as on 31st March, 2013

S.N.	Category	Number of shares holders	% of shareholders	No. of Shares	% of shareholding
1	Resident Individuals	5389	93.87	2863232	18.78
2	Non Resident Indians (Individuals)	59	1.03	75437	0.49
3	Corporate Bodies	231	4.02	3843880	25.22
4	Directors (Promoter)	2	0.03	5071688	33.27
5	Directors Relatives (Promoter)	5	0.09	1766000	11.59
6	Financial Institutions	1	0.02	1597993	10.48
6	Clearing Member	31	0.54	9912	0.07
7	Corporate Body Broker	23	0.40	15751	0.10
	Total	5741	100	15243793	100

7. Dematerialisation of Shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 98.61% of the Company's equity share capital are dematerialised as on 31st march, 2013.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, in dematerialised form.



COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of Condition of the Code of Corporate Governance as stipulated in Clause 49 and the same is annexed.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Shakti Pumps (India) Limited

We have examined the compliance of conditions of Corporate Governance by SHAKTI PUMPS (INDIA) LIMITED ("the Company"), for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted 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 explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Vinay Gandhi & Associates
Chartered Accountants
FRN:014442C

Vinay Gandhi
(Proprietor)
M.No75972

Place: Indore
Date: 12th August, 2013

DECLARATION-CODE OF CONDUCT

As per Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

Date: 12th August, 2013
Place: Pithampur

Dinesh Patidar
Chairman cum Managing Director

CERTIFICATE FROM CMD

To
The Board of Directors
Shakti Pumps (India) Limited

Re: Financial Statements for the year ended 31st March 2013- Certification by Chairman and Managing Director

I, Dinesh Patidar, Chairman and Managing Director of Shakti Pumps (India) Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year ended 31st March 2013 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which, we are aware and the steps I have taken or purpose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee that-
 - (a) There have not been any significant changes in internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year.
 - (c) There have been no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Date: 12th August, 2013
Place: Pithampur

Dinesh Patidar
Chairman cum Managing Director



SECRETARIAL AUDIT REPORT

The Board of Directors,
Shakti Pumps (India) Limited,
Plot No. 401, 402 & 413,
Industrial Area, Sector-III,
Pithampur-454775

I have examined the registers, records and documents of Shakti Pumps (India) Limited ("the Company") for the financial year ended on March 31, 2013 according to the provisions of –

1. The Companies Act, 1956 and the rules made under that Act;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - ▶ The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ▶ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
5. The Equity Listing Agreement with BSE Limited and MPSE Limited.
6. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company. I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ('the Act') and the Rules made under the Act and Memorandum and Articles of Association of the Company, with regards to;
 - ▶ Maintenance of various statutory registers and documents and making necessary entries therein;

- ▶ Closure of Registers of Members;
- ▶ Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government.
- ▶ Notice of Board Meeting and Committee meeting of Directors.
- ▶ The 17th Annual General Meeting held on September 28, 2012;
- ▶ Constitution of Board of Directors and Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Directors and Whole-time Directors;
- ▶ Transfer and transmission of the Company's Shares; issue and dispatch of duplicate certificate of shares.
- ▶ Director's Report;
- ▶ Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that based on the information received and records maintained there are adequate systems and process in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Manish Maheshwari
Practicing Company Secretary
Certificate of Practice No.3860
August 12, 2013.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

SHAKTI PUMPS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SHAKTI PUMPS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Vinay Gandhi & Associates
Chartered Accountants
FRN: 014442C

Vinay Gandhi
(Proprietor)
M No. 75972)

Place : Indore
Date : 29.05.2013

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in Paragraph of Report on Other Legal & Regulatory Requirements]

1. In respect of its fixed Assets:
 - a) The Company is maintaining proper records showing full particulars, 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) In our opinion and according to the information and explanation given to us, any substantial part of fixed assets has not been disposed of by the Company during the year.
2. In respect of its inventories:
 - a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year at reasonable interval. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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 were no material discrepancies noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the act:
 - a) The Company has granted loan to one party covered in the register maintained under section 301 of the Act as follows:

Name of the Party	Max. Amount Outstanding During The Year	Balance as on 31.03.2013
Vintex Tools Pvt. Ltd	₹74928834.75/-	₹60691783/-
Aquanox Pumps Ltd	₹38286388.00/-	₹38286388/-
 - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms & conditions of loan given by the Company, are not prima facie prejudicial to the interest of the Company.
 - c) The Principal amount are repayable over a period of one to three years, while the interest is payable annually at the discretion of the Company.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - e) The Company has not taken any loans, secured or unsecured from companies, firms or Other Parties covered in the register maintained section 301 of the Act. Accordingly, clauses (iii) (f) and (iii) (g) of the paragraph 4 of the order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanation given to us, there is an adequate Internal Control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in section 301 of the act:
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements or transactions referred to in section 301 of the Act, have been entered in the register required to be maintained under section 301 of the Act.
 - b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at price which are prima facie reasonable, having regard to prevailing market price at the relevant time where such market prices are available.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause (vi) of paragraph 4 of the order is not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section clause (d) of sub section (1) of section 209 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a) According to the information and explanations given to us and the records of the Company examined by

us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, Income Tax, Sales Tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute. The particular of dues of excise duty as at 31st March 2013 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty Including Interest and penalty	47,70,000	2005-06	Appellate Tribunal, New Delhi
The Income Tax Act, 1961	Income Tax Including Interest & Penalty	1,65,51,590	2010-11	Commissioner (Appeals), Indore

10. The Company does not have accumulated losses as at March 31, 2013. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
12. In our opinion and based on the information available, no loans and advances has been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause (xiii) of paragraph 4 of the order relating to chit fund/ nidhi/mutual benefit fund/society are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has no Outstanding Debenture during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material instance of fraud on or by the Company noticed or reported during the year.

For Vinay Gandhi & Associates
Chartered Accountants
FRN: 014442C

Place : Indore
Date : 29.05.2013

Vinay Gandhi
(Proprietor)
M No. 75972



BALANCE SHEET as at 31st March 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	152437930	140437930
Reserves and Surplus	2	948304669	696492987
Money Received Against Share Warrants		-	36050000
		1100742599	872980917
2 Non-Current Liabilities			
Long-Term Borrowings	3	199018663	313843941
Deferred Tax Liability (Net)	4	45296085	34598735
		244314748	348442676
3 Current Liabilities			
Short-Term Borrowings	5	625440765	513169471
Trade Payables	6	209766479	147450655
Other Current Liabilities	7	193880798	125945438
Short-Term Provisions	8	94410432	82005190
		1123498474	868570754
TOTAL		2468555821	2089994347
II. ASSETS			
1 Non-current assets			
Fixed Assets			
(i) Tangible Assets	9	802698928	524715197
(ii) Capital Work-In-Progress		-	65930944
Non-Current Investments	10	5540056	10717299
Long-Term Loans and Advances	11	113950716.30	114818207
Other Non-Current Assets	12	58829891	47914976
		981019591	764096623
2 Current assets			
Inventories	13	658413240	717563725
Trade Receivables	14	641218729	429031318
Cash and Bank Balances	15	43898899	89288588
Short-Term Loans and Advances	16	144005361	90014093
		1487536230	1325897724
TOTAL		2468555821	2089994347
Significant Accounting Policies			
Notes on Financial Statements	1 to 28		

As per our Report of even date

For **Vinay Gandhi & Associates**
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

Sd/-

Vinay Gandhi
(Proprietor)
(M.No.75972)

Sd/-

Manoj Maheshwari
(Company Secretary)

Sd/-

Dinesh Patidar
(Managing Director)

Sd/-

Ramesh Patidar
(Executive Director)

Place : Indore
Date : 29.05.2013

PROFIT & LOSS STATEMENT for the year ended 31st March 2013 (Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
1	2	3	4
I INCOME			
Revenue From Operations			
Sales of Products	17	2103353892	1930581338
Other Income	18	65638297	10373237
Total Revenue		2168992189	1940954575
II EXPENDITURE			
Cost of Materials Consumed	19	949295895	1011452983
Changes in Inventories of Finished Goods, Stock-in-Progress and Stock-in-Trade	20	41685310	(46749586)
Employee Benefits Expense	21	208000832	147053515
Finance Costs	22	121845942	92904024
Depreciation and Amortisation Expense	9	50053679	40515073
Other Expenses	23	586173696	509661259
Total Expenses		1957055353	1754837268
III Profit Before Tax		211936836	186117307
IV Tax expense:			
Current Tax		43734210	38500000
Deffered Tax		10697350	5871997
Mat Credit Entitlement		(26954271)	-
V Profit After Tax For The Year		184459547	141745310
VI Earning per equity share of Face Value of ₹10/- Each	24		
Basic		12.60	10.35
Diluted		12.60	10.35
Significant Accounting Policies			
Notes to the Financial Statements	1 to 28		

As per our Report of even date

For **Vinay Gandhi & Associates**
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi
(Proprietor)
(M.No.75972)

Place : Indore
Date : 29.05.2013

Sd/-
Manoj Maheshwari
(Company Secretary)

Sd/-
Dinesh Patidar
(Managing Director)

Sd/-
Ramesh Patidar
(Executive Director)

For and on Behalf of the Board

CASH FLOW STATEMENT as at 31st March 2013

(Amount in lakhs)

Particulars	2012-13	2011-11
1	2	3
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax As Per Profit & Loss Account	1845	1417
Adjusted For :		
Depreciation Exp.	501	405
Mics.Exp. Written off.	31	47
Interest Income	(121)	(71)
Interest Paid	1065	800
Loss on Sale of Fixed Assets	34	4
Profit on Sale of Fixed Assets	(8)	-
Deffered Expenditure Not Included Above	(109)	(336)
Mat Credit	(270)	-
Deffered Tax	107	59
	1230	908
Operating Profit Before Working Capital Changes	3075	2325
Adjusted For :		
(Increase)/Decrease in Trade & Other Recivables	(2122)	(400)
(Increase)/Decrease in Inventories	592	(887)
Increase in Trade Payables	623	191
Increase in Other Current Liabilities	457	267
	(450)	(829)
Net Cash Flow From Operating Activities (A)	2625	1496
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3970)	(1110)
Sale of Fixed Assets	1408	55
Purchase of Investments	0	(49)
Sale of Investments	52	-
Interest Received	121	71
Deposits	227	(391)
Movement in Loan & Advances	(476)	(556)
Net Cash Used in Investing Activities (B)	(2640)	(1980)

CASH FLOW STATEMENT as at 31st March 2013

(Amount in lakhs)

Particulars	2012-13	2011-11
1	2	3
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Share Capital	-	900
Long Term Borrowings (NET)	173	774
Short Term Borrowings (NET)	1123	(1005)
Dividend Paid (Inc. DDT)	(163)	(164)
Interest on Term Loans & Others Paid	(1065)	(800)
Money Received Against Share Warrants Conversion	696	44
Proceeds From Optionally Convertible Debentures (Net)	(975)	975
Net Cash Used in Financing Activities (C)		724
Net Change in Cash & Cash Equivalents (A+B+C)		240
Cash & Cash Equivalents as at 1st April 2012		49
Cash & Cash Equivalents as at 31st March 2013		289

Note : 1. Figures in Brackets represent Cash Outflow
2. Previous Year Figures Regrouped wherever necessary.

As per our Report of even date

For **Vinay Gandhi & Associates**
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi

(Proprietor)

(M.No.75972)

Place : Indore
Date : 29.05.2013

Sd/-

Manoj Maheshwari

(Company Secretary)

For and on Behalf of the Board

Sd/-

Dinesh Patidar

(Managing Director)

Sd/-

Ramesh Patidar

(Executive Director)

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on the basis of going concern assumption in accordance with the applicable accounting standard in India and the provisions of the Companies Act, 1956.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Fixed Assets

Fixed Assets are stated at cost net recoverable taxes including any cost attributable for bringing the assets to its working condition for its intended use less accumulated depreciation.

D. Depreciation

Depreciation has been charged on fixed assets on straight-line basis from the month of addition and to the month of sale at the rates specified in schedule XIV of the Companies Act, 1956. 100% depreciation has been charged on assets valued up to 5000/- per item

E. Foreign Currency Transaction

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- (c) Non Monetary foreign currencies Items are carried at cost.
- (d) Any income or expense on account of exchange differences either on settlement or on translation is recognised in the profit & loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

F. Investments

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

G. Inventories

Item of Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. The cost of work in progress and finished goods is determined on absorption cost price.

H. Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue on sale of goods is recognised on passes of title to customers, sales are excluding of VAT/Sales tax, Excise duty and adjustment for rate difference and discount. Export sale are accounted for on the basis of dates of bill of lading.

I. Excise duty/CENVAT

Excise duty is accounted for on the basis of payment made in respect of goods cleared. CENVAT claim on purchase of raw material is reduced from the cost of raw material.

J. Employee Benefits

- (a) Short Term Employee benefits are recognised as an expense at the undiscounted amount in profit & loss account of the year in which the related service is rendered.
- (b) **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.

(c) **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 accounted for on cash basis.

K. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. All other borrowing costs are charged to Profit & Loss account.

L. Provision for Current & Deferred Tax

Provision for current tax is made after taking into account benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "Timing Difference" between taxable incomes & accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date.

M. Provisions , Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that

there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed.

N. Segment Reporting

The Company is mainly engaged in the business of manufacturing of Pump & Motors. Considering the nature of business & financial reporting of the Company, 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.

O. Optionally Convertible Debentures

During the year company has redeemed the Outstanding OCD's.

P. Share Warrants

During the Year the Company has converted outstanding Share Warrants into 600000 Equity Shares of Face Value ₹10/- at a premium of ₹166/- each. And also issued 600000 Bonus Shares thereon.

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at	
	March 31, 2013	March 31, 2012
1 SHARE CAPITAL		
Authorised Share Capital :		
25000000 Equity Shares of ₹10 each (Previous year 25000000 shares of ₹10 each)	250000000	250000000
Issued & Subscribed Capital		
15423993 Equity Shares of ₹10 each (Previous year 14223993 shares of ₹10 each)	154239930	142239930
Paid Up Capital		
15243793 Equity Shares of ₹10 each (Previous year 14043793 shares of ₹10 each)	152437930	140437930
Total	152437930	140437930
1.1 Reconciliation of shares outstanding at the beginning and at the end of the year		
Equit Shares		
At the beginning of the year	14043793	6222900
Issued during the year*	1200000	7820893
Outstanding at the end of the year	15243793	14043793
*600000 Shares out of Issued, Subscribed & Fully Paid up share capital were allotted as Bonus Shares during the current year by capitalisation of reserves.		
1.2 180200 Share out of Issued Share Capital are forfeited by the Company which has not been reissued.		

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

(No. of shares)

Name of the shareholder	As at		As at	
	March 31, 2013		March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	23.10	3521488	25.08
Green India Venture Fund	1597993	10.48	1597993	11.38
Sunil Patidar	1550200	10.17	1550200	11.04
M.L.Securities & Finance Pvt.Ltd	1938142	12.71	738142	5.26

2 RESERVES & SURPLUS

(Amount in ₹)

Capital Reserve				
As per Last Balance Sheet	2057800		2057800	
		2057800		2057800
Securities Premium Reserve				
As per Last Balance Sheet	241545471		163917000	
Add:	99600000		77628471	
		341145471		241545471
General Reserve				
As per Last Balance Sheet	452889716		395001492	
Add: Transferred from Profit & Loss Account	158211682		123721224	
Less:	(6000000)		(65833000)	
		605101398		452889716

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
2 RESERVES & SURPLUS (Contd.)		
Profit & Loss Account		
As Per Last Balance Sheet	-	-
Add: Profit for the Year	184459547	141745310
Excess Provision for Income Tax	-	-
Less: Appropriations/Adjustments		
Proposed Dividend	(15243793)	(14043793)
Dividend Tax	(2472924)	(2278254)
Gratuity Provision for earlier Year	-	-
Short Provision for Bonus	(2102307)	
Short Provision for Income Tax 2009-10	-	(609496)
I.T.Refund Adjusted against Demand	-	(219320)
Income Tax Related to Earlier Year	(1251598)	(873223)
Investment Written Off	(5177243)	
Transferred to General Reserve	(158211682)	(123721224)
TOTAL	948304669	696492987
3 LONG TERM BORROWINGS		
SECURED		
Debentures		
727600 Optionally Convertible Debentures of ₹134/- each		97498400
Term Loan		
From Banks - Rupee Loan	50574913	17276791
		50574913
		17276791
External Commercial borrowing		
From Banks		
Foreign Currency Loan	148443750	199068750
		148443750
		199068750
TOTAL	199018663	313843941
3.1 Current Maturities of Long Term Debt (See Note 7)		
Term Loan		
From Banks		36478512
From Others	41693608	0
External Commercial Borrowing	92318608	21182559
		57661071

3.2 Borrowings from banks are secured by way of :-

- First Pari-passu charge by way of hypothecation of the Company's stock comprising of raw materials, stock in process, finished goods, consumable stores and spares and receivables & other current assets situated at Sector-A, Pithampur Industrial Area and Plot No.F-14 & F-15, SEZ , Phase-I, Sector III, Pithampur and Machineries installed at Plot No. 401, 402 & 413 and Plot No.400 & 412A, Sector III Industrial Area , Pithampur , District -Dhar.
- First Pari-passu charge by way of Equitable Mortgage of the Company's Land & Building situated at sector-A, Pithampur Industrial Area and Plot No.F-14 & F-15, SEZ , Phase-I, Sector III, Pithampur and Machineries installed at Plot No. 401, 402 & 413, and Plot No.400 & 412A, Sector III Industrial Area , Pithampur , District -Dhar.
- Personal Guarantee of Directors

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
-------------	-------------------------	-------------------------

3.3 External Commercial borrowings secured by way of :

- Second Pari-passu charge by way of Equitable Mortgage of the Company's Land & Building situate at Sector- I, Pithampur and Plot No.F-14 & F-15,SEZ, Pithampur and Plot No.401,402 & 413 and Plot.No.400 & 412 A, Industrial Area Sector III Pithampur , District -Dhar. (M.P.)
- First pari-passu charge by way of hypothecation of the Company's stock comprising of raw materials,stock in process, finished goods, consumable stores and spares and receivables & other current assets situated at Sector-A, Pithampur Industrial Area and Plot No.F-14 & F-15, SEZ , Phase-I, Sector III, Pithampur and Machinaries installed at Plot No. 401, 402 & 413 and Plot No.400 & 412A, Sector III Industrial Area , Pithampur , District -Dhar.

4	DEFERRED TAX LIABILITY (NET)		
	Deffered Tax Liability	45296085	34598735
	Deffered Tax Assets	-	-
	TOTAL (NET)	45296085	34598735

5	SHORT TERM BORROWINGS		
	SECURED		
	Working Capital Loans		
	From Banks	357060436	243130681
	Export Packing Credit Limit	260208298	267588082
	Buyers Credit	-	-
	Vehical Loan	8172031	2450708
		625440765	513169471
	TOTAL	625440765	513169471

- Working Capital loans are secured by First Pari-Passu Charge by hypothecation of present and future stock of raw materials, stock in trade, finished goods, stores&spares, claims and book debts etc.
- EPC limit is secured by of hypothecation of present and future stock of raw materials,stock in tarde,finished goods, stores & spares, claims and book debts etc.
- Vehicle Loan are secured by way of hypothecation of respective vehicles.

6	TRADE PAYABLES		
	Creditors for Raw Material	209766479	147450655
	TOTAL	209766479	147450655

7	OTHER CURRENT LIABILITIES		
	Current Liabilities of Long Term Debt (Refer Note 3)	92318608	57661071
	Creditors for Capital Expenditure	15855645	10497509
	Creditors for Others	67362688	42700500
	Unclaimed Dividend	1407582	919220
	Advance from Customers	7908666	9252491
	Statutory Payable	3986391	3331432
	Expenses Payable	5041218	1583215
	TOTAL	193880798	125945438

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
8 SHORT TERM PROVISIONS		
Provision for Employee Benefits	32959505	27183143
Others		
Proposed Dividend	15243793	14043793
Tax on Dividend	2472924	2278254
Provision for Income Tax	43734210	38500000
	61450927	54822047
TOTAL	94410432	82005190

9 FIXED ASSETS		(Amount in ₹)								
Sn.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As on 01.04.2012	Addition	Deletion	Total as on 31.03.2013	For the year	up to 31.03.2012	Deletion	Total	As on 31.03.2013
I	TANGIBLE ASSETS									
1	Computers	14558042	13275291	257871	27575462	2708895	8114360	60213	10763042	16812420
2	Equipments	11727247	2541368	170258	14098357	844488	3189860	22792	4011555	10086802
3	Office Buildings	1362631	29641207	-	31003838	67217	467429	-	534646	30469192
4	Factory Buildings	78460544	101188689	-	179649233	3474554	15500206	-	18974760	160674473
5	Furniture	25154586	4003787	34853	29123520	1667181	6966634	484	8633331	20490190
6	Land	17838087	-	-	17838087	-	-	-	-	17838087
7	Plant & Machinery	367343495	124340873	31104781	460579587	19184473	74517363	5760140	87941696	372637890
8	Tools	217188219	72242433	1416031	288014621	21614490	103997921	6427	125605984	162408637
9	Vehicles	4547648	7937500	-	12485148	492382	711529	-	1203911	11281237
	Total	738180499	355171148	32983793	1060367853	50053679	213465302	5850056	257668925	802698928
II	Capital W.I.P	65930944	41866617	107797562	-	-	-	-	-	-
	Total	804111443	397037765	140781355	1060367853	50053679	213465302	5850056	257668925	802698928

10 NON CURRENT INVESTMENTS				
	Non-Trade Investments			
	In Equity Shares of Subsidiaries			
	Unquoted Fully Paid Up			
1	Shares of Shakti Pumps FZE, Sharjah UAE of AED 150000 each	2206115		2206115
	65000 Shares of Shakti Pumps USA LLC, USA of USD 1 each	3331941		3331941
			5538056	5538056

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
10 NON CURRENT INVESTMENTS (Contd.)		
In Equity shares of Others		
Unquoted Fully Paid Up		
Cosmos Bank	2000	2000
Others	-	5177243
	2000	5179243
TOTAL	5540056	10717299
11 LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
Advance for Capital Goods	14972545	64783822
Loan to Related Parties	98978172	7858567
Loan to Others	0	42175818
TOTAL	113950716	114818207
12 OTHER NON-CURRENT ASSETS		
Miscellaneous Expenditure	58829891	47914976
(to the extent not written off or adjusted)		
TOTAL	58829891	47914976
13 INVENTORIES		
Raw Material	292915806	310380981
Work In Progress	236465249	222736631
Finished Goods	129032185	184446113
TOTAL	658413240	717563725
14 TRADE RECIVABLES		
(Unsecured & Considered good)		
Over Six Months	114929968	150517931
Others	526288761	278513387
TOTAL	641218729	429031318
15 CASH & BANK BALANCES		
Balances with Banks	5386544	27244992
Cash Balance	783255	1664247
Fixed Deposits With Bank	37729100	60379349
TOTAL	43898899	89288588
15.1 Balance with Banks includes Unclaimed Dividend of ₹1428807/- (Previous year ₹940445/-)		
16 SHORT TERM LOAN & ADVANCES		
Balances With Statutory authorities	58274018	44267924
Advance Income Tax	32000000	20000000
Advance for Salary & tour	8439407	10666829
Prepaid Expenses	6910462	2265033
Deposits	7928527	7166997
Other Short Term Loan & Advances	30452947	5647310
TOTAL	144005361	90014093

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012		
17 REVENUE FROM OPERATION				
Sales of Finished Products	2103353892	1930581338		
TOTAL	2103353892	1930581338		
17.1 DETAIL OF SALES				
Sale of Products	721111282	818020054		
Domestic	1382242610	1112561284		
Export	2103353892	1930581338		
TOTAL	2103353892	1930581338		
18 OTHER INCOME				
Interest Income	12053110	7132212		
Other Non Operating Income	53585188	3241025		
TOTAL	65638297	10373237		
19 COST OF MATERIAL CONSUMED				
Opening Stock of Raw Material	310380982	268403970		
Add:	931830720	1053429994		
	1242211701	1321833964		
Less:	292915806	310380981		
TOTAL	949295895	1011452983		
19.1 VALUE OF RAW MATERIAL CONSUMED				
	Amount in ₹	% of consumption	Amount in ₹	% of consumption
Imported	175619741	18.50	100460333	9.93
Indegious	773676154	81.50	910992650	90.07
TOTAL	949295895	100.00	1011452983	100.00
20 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS				
Inventories (at Close)				
Finished Goods/Stock in Trade	129032185		184446113	
Stock In Progress	236465249		222736631	
		365497434		407182744
Inventories (at Commencement)				
Finished Goods/Stock in Trade	184446113		141474557	
Stock In Progress	222736631		218958601	
		407182744		360433158
TOTAL		(41685310)		46749586
21 EMPLOYEE BENEFIT EXPENSES				
Salaries & Wages (Including Bonus)	188083354		132849858	
Contribution to Provident & Other Funds	10241300		7348885	
Staff Welfare Expenses	9676178		6854772	
TOTAL	208000832		147053515	

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
22 FINANCE COST		
Interest to Bank	105304327	70972256
Interest to Other	1191242	9053294
Bank Charges	15350373	12878474
TOTAL	121845942	92904024

23 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power & Fuel	17124885	13751936
Job Work Expenses	31568446	24475147
Entry Tax	3217774	1577987
Freight Charges	11659851	5416068
Other Manufacturing Exp.	2861531	1905300
	66432486	47126438
ADMINISTRATIVE EXPENSES		
Directors Remuneration	6559814	6275000
Telephone Expenses	4564593	3881154
Conveyance Expenses	11638813	8498380
Insurance Expenses	2736821	3982616
Consultancy Charges	3951038	5714333
Other Office Exp.	6806697	3734311
	36257777	32085794
SELLING & DISTRIBUTION EXPENSES		
Clearing & Forwarding Charges	2035427	2120361
Office & Godown Rent	8729962	5065780
Travelling Expenses	39648482	33990934
Advertising & Market Dev.Exp.	73748812	92793700
Transportation Charges	7664176	19582206
ECGC Premium	7502190	4930394
Trade Discount	298443020	246645089
Other Expenses	15377937	10268435
	453150005	415396899
OTHER EXPENSES		
Legal & Professional Exp.	3535460	2797434
Payment to Auditors	315000	275000
Repair & Maintenance	2360255	2212994
Taxes & Duties	5454058	2753887
Other Exp.	15575571	2296785
	27240343	10336100
MISC. EXP. WRITTEN OFF	3093084	4716028
TOTAL	586173695	509661259

23.1 PAYMENT TO AUDITORS AS

(a) Auditor	130000	120000
(b) For Taxation Matters	110000	100000
(c) For Other Services	75000	55000
TOTAL	315000	275000

NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
24 EARNING PER SHARE		
i) Net Profit After Tax	184459547	141745310
ii) Weighted No. of Shares Outstanding	14643793	13691329
iii) Earning Per Share		
Basic	12.60	10.35
Diluted	12.60	10.35

25 ADDITIONAL INFORMATION

25.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

Raw Material	246989956	133947111
Capital Goods	27978459	19247544
TOTAL	274968414	153194655

25.2 EXPENDITURE IN FOREIGN CURRENCY

Exhibition & Promotional Exp.	2424698	3691263
Travelling Exp.	5822378	17807399
Advertisement Exp.	-	2098251
TOTAL	8247076	23596913

25.3 EARNING IN FOREIGN CURRENCY

FOB Value of Exports	1089666034	796289410
TOTAL	1089666034	796289410

26 RELATED PARTY DISCLOSURES

(i) List of Related Parties

S.No	Name of Related Party	Relationship
1	Shakti Pumps USA LLC	Subsidiary
2	Shakti Pumps FZE , UAE	Companies
3	SPIL Industries Limited	Enterprise over Which Key management are able to exercise significant influence
4	Vintex Tools Pvt. LTd	Enterprise over Which Relative of Key Mgt. are able to exercise significant influence
5	Shri Dinesh Patidar	Key Managarial Personnel
6	Shri Sunil Patidar	
7	Shri Ramesh Patidar	

NOTES ON FINANCIAL STATEMENTS

26 RELATED PARTY DISCLOSURES

(ii) Transaction during the year with related parties.

(Amount in ₹)

S.No	Name of Party	Nature of Transaction	Amount
1	Shakti Pumps USA LLC	Sale of Pump & Motors	6996048
2	Shakti Pumps FZE, UAE	Sale of Pump & Motors	47426456
3	Aquanox Pumps Limited	Purchase of Rubber Components	48273213
4	Vintex Tools Pvt. Ltd	Purchase of Dies	31469975
5	Dinesh Patidar	Remuneration	3900000
		Other Allowances	-
6	Sunil Patidar	Remuneration	1200000
		Other Allowances	62274
7	Ramesh Patidar	Remuneration	1320000
		Other Allowances	77540

(iii) Balances as at 31.03.2013

S.No	Name of Party	Nature of Transaction	Amount
1	Investments	Shakti Pumps USA LLC	3331941
		Shakti Pumps FZE, UAE	2206115
2	Trade Receivables	Shakti Pumps USA LLC	23350886
		Shakti Pumps FZE, UAE	52958309
3	Trade Payables	Aquanox Pumps Limited	15398618
4	Loan & Advances	Vintex Tools Pvt. Ltd.	60691783
5	Loan & Advances	Aquanox Pumps Limited	38286388

27 FINANCIAL & DERIVATIVE INSTRUMENTS

Foreign Currency exposure that are not hedged by derivative instruments as on 31.03.2013 are as follows :

Nature of Transaction	External Commercial Borrowing
Currency	USD
Balance in Foreign Currency	3750000
Balance in ₹	199068750

(Amount in lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
-------------	-------------------------	-------------------------

28 CONTINGENT LIABILITIES AND COMITMENTS

1	Bank Guarantee Outstanding	103	210.49
2	Unexpired Letter of Credit	1404.83	1175.70
3	Excise Demand Under Dispute	47.7	47.70
4	Income Tax Demand Under Dispute	165.51	-

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

Sd/-

Vinay Gandhi
(Proprietor)
(M.No.75972)

Sd/-

Manoj Maheshwari
(Company Secretary)

Sd/-

Dinesh Patidar
(Managing Director)

Sd/-

Ramesh Patidar
(Executive Director)

Place : Indore
Date : 29.05.2013

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of M/S. SHAKTI PUMPS (INDIA) LIMITED (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March 2013, and the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes accessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. These financial statements & other information have been audited by other Auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true & fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2013 ;
 - ii. in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - iii. in the case of the Consolidated Cash Flow Statement , of the Cash Flows of the group for the year ended on that date.

For Vinay Gandhi & Associates
Chartered Accountants

FRN: 014442C
Vinay Gandhi
(Proprietor)
M No. 75972)

Place : Indore
Date : 29.05.2013

CONSOLIDATED BALANCE SHEET as at 31st March 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	152437930	140437930
Reserves and Surplus	2	935179357	693013401
Money Received Against Share Warrants		-	36050000
		1087617287	869501331
2 Non-Current Liabilities			
Long-Term Borrowings	-	199018663	313843941
Deferred Tax Liability (Net)	-	45296085	34598735
		244314748	348442676
3 Current Liabilities			
Short-Term Borrowings	-	625440765	513169471
Trade Payables	3	202793698	147459112
Other Current Liabilities	-	194804334	128498695
Short-Term Provisions	-	94410432	81972353
		1117449230	871099631
TOTAL		2449381265	2089043638
II. ASSETS			
1 Non-current assets			
Fixed Assets			
(i) Tangible Assets	-	802698928	524715197
(ii) Capital Work-In-Progress		-	65930944
Non-Current Investments	4	2000	5179243
Long-Term Loans and Advances	-	113950716	114818207
Other Non-Current Assets	-	58829891	47914976
		975481535	758558567
2 Current assets			
Inventories	5	684783112	734441264
Trade Receivables	6	600003581	411694260
Cash and Bank Balances	7	45023179	91123719
Short-Term Loans and Advances	8	144089858	93225829
		1473899730	1330485071
TOTAL		2449381265	2089043638
Significant Accounting Policies			
Notes on Financial Statements	1-19		

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi
(Proprietor)
(M.No.75972)

Place : Indore
Date : 29.05.2013

Sd/-

Manoj Maheshwari
(Company Secretary)

Sd/-

Dinesh Patidar
(Managing Director)

Sd/-

Ramesh Patidar
(Executive Director)

For and on Behalf of the Board

CONSOLIDATED PROFIT & LOSS STATEMENT for the year ended 31st March 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
1	2	3	4
I INCOME			
Revenue From Operations			
Sales of Products	9	2087976522	1915319624
Other Income	10	66852327	10428264
Total Revenue		2154828849	1925747888
II EXPENDITURE			
Cost of Materials Consumed	11	939759093	1011452983
Changes in Inventories of Finished Goods, Stock-in-Progress and Stock-in-Trade	12	41685310	(63624882)
Employee Benefits Expense	13	211298643	147053515
Finance Costs	14	121937333	92950192
Depreciation and Amortisation Expense		50053679	40515073
Other Expenses	15	594431052	514193996
Total Expenses		1959165110	1742540877
III Profit Before Extraordinary and Prior Period items and tax		195663739	183207011
IV Prior Period Item		-	432455
V Profit After Tax For The Year		195663739	182774556
VI Tax expense:			
Current Tax		43734210	38500000
Deffered Tax		10697350	5871997
Mat Credit Entitlement		(26954271)	-
VII Profit After Tax For The Year		168186450	138402559
VI Earning per equity share of Face Value of ₹10/- Each	16		
Basic		11.49	10.11
Diluted		11.49	10.11
Significant Accounting Policies			
Notes to the Financial Statements	1-19		

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi

(Proprietor)

(M.No.75972)

Place : Indore

Date : 29.05.2013

Sd/-

Manoj Maheshwari

(Company Secretary)

Sd/-

Dinesh Patidar

(Managing Director)

Sd/-

Ramesh Patidar

(Executive Director)

For and on Behalf of the Board

CONSOLIDATED CASH FLOW STATEMENT as at 31st March 2013

(Amount in lakhs)

Particulars	2012-13	2011-11
1	2	3
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax As Per Profit & Loss Account	1682	1384
Adjusted For :		
Depreciation Exp.	501	405
Mics.Exp. Written off.	31	47
Interest Income	(121)	(71)
Interest Paid	1065	800
Loss on Sale of Fixed Assets	34	4
Profit on Sale of Fixed Assets	(8)	-
Deffered Expenditure Not Included Above	(109)	(336)
Mat Credit	(270)	-
Deffered Tax	107	59
	1230	908
Operating Profit Before Working Capital Changes	2912	2292
Adjusted For :		
(Increase)/Decrease in Trade & Other Recivables	(1883)	(226)
(Increase)/Decrease in Inventories	497	(1057)
Increase in Trade Payables	553	191
Increase in Other Current Liabilities	787	292
	(46)	(800)
Net Cash Flow From Operating Activities (A)	2867	1492
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3970)	(1110)
Sale of Fixed Assets	1408	55
Interest Received	121	71
Deposits	(227)	(391)
Movement in Loan & Advances	(222)	(590)
Net Cash Used in Investing Activities (B)	(2891)	(1965)

CONSOLIDATED CASH FLOW STATEMENT as at 31st March 2013

(Amount in lakhs)

Particulars	2012-13	2011-11	
1	2	3	
C CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds From Issue of Share Capital	-	900	
Long Term Borrowings (NET)	173	774	
Short Term Borrowings (NET)	1123	(1005)	
Dividend Paid (Inc. DDT)	(163)	(163)	
Interest on Term Loans & Others Paid	(1065)	(800)	
Money Received Against Share Warrants Conversion	696	44	
Proceeds From Optionally Convertible Debentures	(975)	975	
Net Cash Used in Financing Activities (C)		(212)	725
Net Change in Cash & Cash Equivalents (A+B+C)		(236)	252
Cash & Cash Equivalents as at 1st April 2012		308	56
Cash & Cash Equivalents as at 31st March 2013		73	308

Note : 1. Figures in Brackets represent Cash Outflow
2. Previous Year Figures Regrouped wherever necessary.

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi

(Proprietor)

(M.No.75972)

Place : Indore

Date : 29.05.2013

Sd/-

Manoj Maheshwari

(Company Secretary)

Sd/-

Dinesh Patidar

(Managing Director)

Sd/-

Ramesh Patidar

(Executive Director)

For and on Behalf of the Board



SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

The Consolidated Financial Statements relates to SHAKTI PUMPS (INDIA) LTD. ("the Company") and its overseas two subsidiary companies as :

S.No	Name of the Subsidiary Company	Country of Incorporation	% of Shareholding	Currency
1	Shakti Pumps USA LLC	USA	100	USD
2	Shakti Pumps FZE	SHARJAH	100	AED

The Consolidated financial statements have been prepared on the following basis:

- a) The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses , after fully eliminating intra -group balances and intra-group transactions in accordance with Accounting Standard (AS) -21 " Consolidated Financial Statements".
- b) Revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
- c) Reporting period of the subsidiaries are different as to the Company reporting period. Hence for the purpose of preparing consolidated financial Statements, the financial statements of subsidiaries have been prepared to the same reporting date and for the same reporting period as of the Company in accordance with AS-21 " Consolidated Financial Statements".
- d) The accounting policies of the parent are best viewed in its independent financial statements. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- e) These being the First Consolidated Financial Statements comparative figures have not been provided.
- f) Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such Notes from the Independent Financial Statements, which fairly present the needed disclosures.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at	
	March 31, 2013	March 31, 2012
1 SHARE CAPITAL		
Authorised Share Capital :		
25000000 Equity Shares of ₹10 each (Previous year 25000000 shares of ₹10 each)	250000000	250000000
Issued & Subscribed Capital		
15423993 Equity Shares of ₹10 each (Previous year 14223993 shares of ₹10 each)	154239930	142239930
Paid Up Capital		
15243793 Equity Shares of ₹10 each (Previous year 14043793 shares of ₹10 each)	152437930	140437930
Total	152437930	140437930
1.1 Reconciliation of shares outstanding at the beginning and at the end of the year		
Equit Shares		
At the beginning of the year	14043793	6222900
Issued during the year*	1200000	7820893
Outstanding at the end of the year	15243793	14043793
*600000 Shares out of Issued, Subscribed & Fully Paid up share capital were allotted as Bonus Shares during the current year by capitalisation of reserves.		
1.2 180200 Share out of Issued Share Capital are forfeited by the Company which has not been reissued.		

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

(No. of equity shares)

Name of the shareholder	As at		As at	
	March 31, 2013		March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	23.10	3521488	25.08
Green India Venture Fund	1597993	10.48	1597993	11.38
Sunil Patidar	1550200	10.17	1550200	11.04
M.L.Securities & Finance Pvt.Ltd	1938142	12.71	738142	5.26

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
2 RESERVES & SURPLUS		
Capital Reserve		
As per Last Balance Sheet	2057800	2057800
Add: During the Year	-	-
	2057800	2057800
Foreign Currency Fluctuation Reserve		
	(443400)	(136835)
Securities Premium Reserve		
As per Last Balance Sheet	241545471	163917000
Add: Received During the year	99600000	77628471
	341145471	241545471
General Reserve		
As per Last Balance Sheet	449487195	395001492
Add: Transferred from Profit & Loss Account	148932290	120378473
Less: Bonus Share Issue	(6000000)	(65833000)
	592419486	449546965
Profit & Loss Account		
As Per Last Balance Sheet	-	-
Add: Profit for the Year	168186450	138402559
Excess Provision for Income Tax	-	-
Less: Appropriations		
Proposed Dividend	(15243793)	(14043793)
Dividend Tax	(2472924)	(2278254)
Gratuity Provision for earlier Year	-	-
Short Provision for Bonus	(2102307)	-
Short Provision for Income Tax 2009-10	-	(609496)
I.T.Refund Adjusted against Demand	-	(219320)
Income Tax Related to Earlier Year	(1251598)	(873223)
Investment Written Off.	(5177243)	-
Transferred to General Reserve	(141938585)	(120378473)
	0	0
TOTAL	935179357	693013401
3 TRADE PAYABLES		
Sundry Creditors	202793698	147459112
TOTAL	202793698	147459112
4 NON CURRENT INVESTMENTS		
Non-Trade Investments		
In Equity shares of Others		
Unquoted Fully Paid Up		
Cosmos Bank	2000	2000
Others	-	5177243
	2000	5179243
TOTAL	2000	5179243

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
5 INVENTORIES		
Raw Material	292915806	310380981
Work In Progress	236465249	179460939
Finished Goods	148408352	244599344
Stock in Transit	6993705	-
TOTAL	684783112	734441264
6 TRADE RECEIVABLES		
(Unsecured & Considered good)		
Over Six Months	73714820	150517931
Others	526288761	261176329
TOTAL	600003581	411694260
7 CASH & BANK BALANCES		
Balances with Banks	6510825	29080123
Cash Balance	783255	1664247
Fixed Deposits With Bank	37729100	60379349
TOTAL	45023179	91123719
7.1 Balance with Banks includes Unclaimed Dividend of ₹1428807/- (Previous year ₹940445/-)		
8 SHORT TERM LOAN & ADVANCES		
Balances With Statutory authorities	58274018	22606600
Advance Income Tax	32000000	20000000
Advance for Salary & tour	8439407	10666829
Prepaid Expenses	6910462	2265033
Deposits	7928527	7220457
Other Short Term Loan & Advances	30537444	30466910
TOTAL	144089858	93225829
9 REVENUE FROM OPERATION		
Sales of Finished Goods	2087976522	1935245202
TOTAL	2087976522	1935245202
10 OTHER INCOME		
Interest Income	12053110	7132212
Other Non Operating Income	54799217	396053
TOTAL	66852327	7528265
11 COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	327256277	268403970
Add: Purchase of Raw Material	931830720	1053429994
	1259086997	1321833964
Less: Closing Stock of Raw Material	319327904	310380981
TOTAL	939759093	1011452983

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
12 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS		
Inventories (at Close)		
Finished Goods/Stock in Trade	129032185	201321409
Stock In Progress	236465249	222736631
	365497434	424058040
Inventories (at Commencement)		
Finished Goods/Stock in Trade	184446113	141474557
Stock In Progress	222736631	218958601
	407182744	360433158
TOTAL	(41685310)	63624882
13 EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	191381165	132849858
Contribution to Provident & Other Funds	10241300	7348885
Staff Welfare Expenses	9676178	6854772
TOTAL	211298643	147053515
14 FINANCE COST		
Interest to Bank	105304327	70972256
Interest to Other	1191242	9053294
Bank Charges	15441764	12924642
TOTAL	121937333	92950192
15 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power & Fuel	17124885	13751936
Job Work Expenses	31568446	24475147
Entry Tax	3217774	1577987
Freight Charges	11659851	5416068
Other Manufacturing Exp.	3382577	1905300
	66953532	47126438
ADMINISTRATIVE EXPENSES		
Directors Remuneration	6559814	6275000
Telephone Expenses	4564593	3881154
Conveyance Expenses	11638813	8498380
Insurance Expenses	2736821	3982616
Consultancy Charges	3951038	5714333
Other Office Exp.	9509168	3734311
	38960247	32085794
SELLING & DISTRIBUTION EXPENSES		
Clearing & Forwarding Charges	2035427	2120361
Office & Godown Rent	8729962	5065780
Travelling Expenses	39648482	33990934
Advertising Exp.	73748812	92793700
Transportation Charges	7664176	19582206
ECGC Premium	7502190	4930394
Trade Discount	298443020	246645089
Other Expenses	20226132	12638975
	457998201	417767439

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
15 OTHER EXPENSES (Contd.)		
OTHER EXPENSES		
Legal & Professional Exp.	3691808	2797434
Payment to Auditors	315000	275000
Repair & Maintenance	2360255	2212994
Taxes & Duties	5454058	2753887
Other Exp.	15604868	4458982
		12498297
MISC. EXP. WRITTEN OFF	3093084	4716028
TOTAL	594431052	514193996

16 EARNING PER SHARE		
Net Profit After Tax	168186450	138402559
Weighted No. of Shares Outstanding	14643793	13691329
Basic EPS	11.49	10.11
Diluted EPS	11.49	10.11

17 RELATED PARTY DISCLOSURES
Consolidated related party transactions are same as related party transaction of stand alone Shakti Pumps (India) Limited.

18 CONTINGENT LIABILITIES
Consolidated contingent liability are same as contingent liability of stand alone Shakti Pumps (India) Limited.

19 ADDITIONAL FINANCIAL INFORMATION
Financial Information of Subsidiaries for the year ended 31st March 2013

Particulars	Shakti Pumps LLC	Shakti Pumps FZE
a) Paid Up Share Capital	3331941	2206115
b) Share Premium	-	-
c) Other Reserves	-	-
d) Total Assets	22786164	53011843
e) Total Liabilities	22786164	53011843
f) Investments	-	-
g) Turnover	12672191	53011843
h) Profit/(Loss) Before tax	(5332098)	(3947292)
i) Provision for Tax	-	-
j) Profit/(Loss) After Tax	(3386158)	(69134)
k) Proposed Dividend	-	-

Closing Exchange Rates: 1 USD = 54.00 INR, 1 AED = 13.95 INR

As per our Report of even date

For **Vinay Gandhi & Associates**
Chartered Accountants
FRN : 014442C

Sd/-

Vinay Gandhi

(Proprietor)

(M.No.75972)

Place : Indore

Date : 29.05.2013

Sd/-

Manoj Maheshwari

(Company Secretary)

Sd/-

Dinesh Patidar

(Managing Director)

Sd/-

Ramesh Patidar

(Executive Director)

For and on Behalf of the Board



SHAKTI PUMPS [INDIA] LIMITED
 Registered Office: Plot No. 401, 402, & 413 Sector III
 Industrial Area, Pithampur – 454774, Dist.- Dhar M.P.

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall

D.P Id		FOLIO NO.		CLIENT ID	
---------	--	-----------	--	------------	--

NAME & ADDRESS OF THE SHAREHOLDERS -----

----- No. OF SHARE HELD-----

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held at, Registered Office: Plot No. 401,402, & 413 Sector III Industrial Area, Pithampur – 454774 Dist. Dhar M.P. on Friday, 27th September 2013 at 10.00A.M.

*Applicability for investor holding shares in electronic form.

** Strike out whichever is not applicable.

SIGNATURE OF SHAREHOLDER'S OF PROXY**



SHAKTI PUMPS [INDIA] LIMITED
 Registered Office: Plot No. 401, 402, & 413 Sector III
 Industrial Area, Pithampur – 454774, Dist.- Dhar M.P.

PROXY FORM

Please fill attendance slip and hand it over at the entrance of the meeting hall

D.P Id		FOLIO NO.		CLIENT ID	
---------	--	-----------	--	------------	--

I/We -----of -----in the district of,-----

----- Being a member of Shakti Pumps (India) Limited, hereby appoint ----- of -----

-----in the district of ----- (or failing him) -----

-----of----- in the district of ----- as my/our proxy to attend and vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company at Plot No. 401,402, & 413 Sector III Industrial Area, Pithampur – 454774 Dist. Dhar M.P. on Friday, 27th September 2013 at 10.00 A.M. and at any adjourned thereof.

AS WITNESS my hand / our hands this-----day of-----2012.

*Applicability for investor holding shares in electronic form.

Please Affix
 Re.1
 Revenue
 Stamp

Signature



Corporate Information

Board of Directors:

Mr. Dinesh Patidar, *Managing Director*

Mr. Sunil Patidar, *Executive Director*

Mr. Ramesh Patidar, *Executive Director*

Ms. Poonam Garg, *Nominee Director*

Mr. Raj Kumar Jain, *Independent Director*

Mr. S.S. Raghuwanshi, *Independent Director*

Mr. Navin Sunderlal Patwa, *Independent Director*

Company Secretary:

Mr. Manoj Maheshwari

Auditors:

M/s Vinay Gandhi & Associates

105, Man Heritage, 6/2 South Tukoganj,

Near High Court, Indore-452001

Bankers:

State Bank of India

Standard Chartered Bank

Axis Bank Ltd

Registered Office

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

Pithampur-454 775 (MP) India

Registrar and Transfer Agent:

Adroit Corporate Services Pvt. Ltd.

19/20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road, Marol Naka,

Andheri (E), Mumbai- 400 059

Ph. No. - (022) 28594060, 28596060

Fax No. - (022) 28503748

Email - pratapp@adroitcorporate.com

