



PUMPING LIFE

Date: -07.09.2020

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| To, The Secretary, Listing Department The National Stock Exchange of India Ltd Exchange Plaza, BKC, Bandra (E) Mumbai- 400051. | To, The Secretary, Listing Department The BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 |
|---|--|

ISIN:-INE908D01010, NSE Symbol SHAKTIPUMP, BSE Code: - 531431

Subject: -Annual Report for the Financial Year ended 31st March, 2020.

Dear Sir/Madam,

Pursuant to regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual report of the Company including the AGM Notice, Board Report's, Audit Report and financial Statement for the Financial Year 2019-20, which is also being sent through electronic mode to the Members of the Company.

You are requested to kindly take above information on record.

Thanking You

**Yours faithfully,
For Shakti Pumps (India) Limited**

**Ravi Patidar
Company Secretary**



Encl: as above

SHAKTI PUMPS (INDIA) LIMITED



Simha Universal Drive



Monoblock SNB



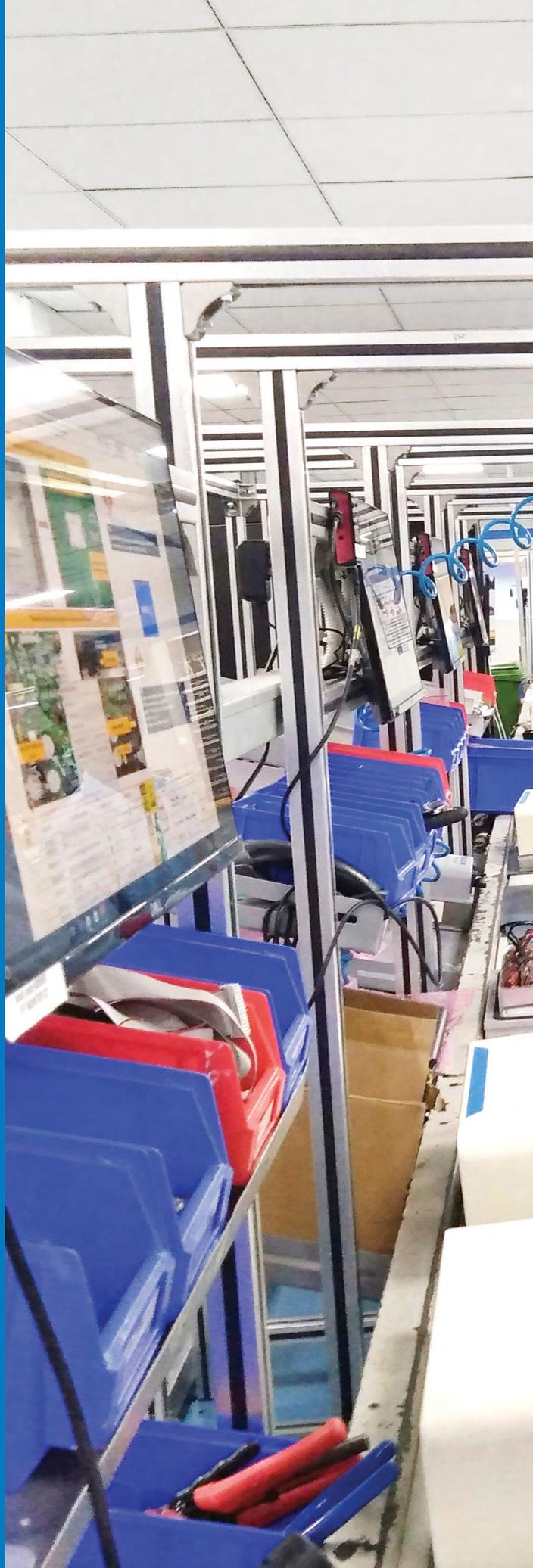
Kalpavriksha (SUPSC)

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Forward-looking statement:

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





SPRING BALANCER
STRENGTHEN
MODEL: MCT-602-B
BALANCE: 0.5KG-1.5KG

SPRING BALANCER
STRENGTHEN
MODEL: MCT-602-B
BALANCE: 0.5KG-1.5KG

ETA

SIRMA UNIVERSITY

CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me immense pleasure to present to you the annual report of our company for the financial year 2019-20.

I present this annual report in a time when the world is dealing with an extraordinary challenge by the unexpected emergence of the Covid-19 pandemic, which has a tragic impact on human lives and businesses across the world. India has been one of the major economies, which has been adversely affected due to this pandemic. To prevent the spread of the virus among the masses, the government of India had announced a nationwide lockdown. This has impacted the local businesses and the global trade had come to a temporary pause. For your company, our number one priority is the health and safety of our employees, those we do business with around the globe, and the communities where we live and work.

The Indian economy started this financial year on a dull note due to the liquidity crisis and rising tensions between the world's two largest economies – the US and China. To help in achieving the government's vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% in the mid-year to spur the investments in the economy. As a result, the domestic investments contributed intermittently to India's growth story, but this proved to be too little, too late.

At a time when the world is suffering from a deadly pandemic, India planned to convert this crisis into an opportunity and to strengthen its fight against the pandemic by becoming Aatmanirbhar or self-reliant. Aatmanirbhar Bharat merges domestic production and consumption with global supply chains. It is not about becoming self-contained or being closed to the world, rather being self-sustaining and self-generating. The economic package that was announced by the Prime Minister along with various reliefs extended during the lockdown period comes to around INR 20 lakh crore, which is about 10 percent of India's GDP. It is expected to provide support and strength to various sections of the country and give a renewed boost to the development journey of the country. It is time to become vocal for our local products and make them global. Your company has always adhered to being self-reliant and is well equipped with a backward integrated facility.

India and Global markets have been battling with this pandemic for months now. This has led to stagnation in various economies across the globe. The entire value chain right from the small manufacturers to the larger ones had faced major disruption in their businesses. As a result, many governments across the world have taken drastic steps to infuse stimulus package to fuel up the economy to get it running back on track. With all these capital infusions and taking necessary precautionary measures, the manufacturing and global trade is slowly returning to normalcy.

The Financial Year 2019-20 witnessed a de-growth for your company due to delay in the KUSUM scheme which led to state governments not floating its tenders. Due to this, your company's consolidated top-line stands at INR 3,828 Mn, and EBITDA was clocked at INR 122 Mn in FY20. Your company incurred a loss of INR 141 Mn during FY20. Your company has always aimed to reach greater heights and continues to add value to its stakeholders.

In the Budget for 2020-21, the Finance Minister announced the expansion of Pradhan Mantri Kisan Urja Suraksha Utthan Mahabhiyan (PM KUSUM) Scheme to double farmers' income by 2022 and further burnish India's green energy credentials. Under the scheme 20 lakh farmers would be provided funds to set up standalone solar pumps and 15 lakh farmers would be provided funds to set up 15 lakh grid-connected solar pumps. This scheme has eliminated farmers' dependence on diesel and kerosene and linked them to solar energy. The scheme also enables the farmers to set up solar power generation capacity and sell it to the grid.

Global Pumps Market revenue is expected to cross USD 91 Billion by 2025. New technologies and digital transformations are rapidly changing the dynamics of various sectors and the global pumps market is no exception to this trend. Over the past few years, numerous key developments in the field have led to better energy efficiency, increasing demand, and saving

valuable resources. The costs of energy keep on escalating, the cost of manufacturing activities also rises which prompted for more product innovation in the market while keeping a close eye on its impact on the environment.

The Indian pump industry plays a very important role in almost every sphere including infrastructure and agriculture, which contributes significantly to the growth of the Indian economy. Rapid depletion of groundwater, increased use of solar pumps coupled with government-initiated projects, and rapid urbanization contribute to the exponential growth of the water pumps market in India. The water pump market in India is likely to cross USD 3.8 Billion by 2022. As the country moves towards urbanization, energy efficiency continues to be of importance, the solutions including intelligent water and wastewater management will witness increased demand, owing to initiatives like smart cities etc.

The solar water pumping systems market in India has recorded a substantial growth in the last few years and is estimated to grow at a compound annual growth rate (CAGR) of more than 27 percent during 2018-2024. Indeed, support from the government of India to encourage the use of new and renewable energy has created a positive effect on the market. The National Solar Mission of India, an initiative by the government to promote solar energy, has set a target of achieving 100 GW of solar power by the year 2022. Some of the new government programs focusing on solar pumps and the agriculture sector are also helping to propel the growth in the sector. Over 181,000 solar water pumps had been installed across the country till October 2019. Chhattisgarh accounted for the highest number of installations of 60,430 solar pumps, followed by Andhra Pradesh, a distant second with 28,267 installations. Here is a detailed list of state-wise installations. States with no installations have been excluded.

I would like to extend my sincere gratitude to our customers, shareholders, suppliers, employees, lending institutions, and the government of India for their continuous trust and support throughout our journey.

Sincerely,

Dinesh Patidar

Chairman & Managing Director



The solar water pumping systems market in India has recorded a substantial growth in the last few years and is estimated to grow at a compound annual growth rate (CAGR) of more than 27 percent during 2018-2024. Indeed, support from the government of India to encourage the use of new and renewable energy has created a positive effect on the market. The National Solar Mission of India, an initiative by the government to promote solar energy, has set a target of achieving 100 GW of solar power by the year 2022.



MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY OVERVIEW

The calendar year 2019 started off with rising tensions between the world’s two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiments overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs of intermittent favourable news on US-China trade negotiations.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the Corona Virus or COVID-19 being first detected in December and quickly spread across the world. COVID-19 not only triggered a global crisis that assumed the form of a global health crisis, but also led to the deepest global recession since the second world-war. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support. Growth forecasts for all regions have been severely downgraded, while many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support measures. Other than essential commodities like foods, pharmaceuticals and FMCG, all other sectors across the world were impacted through reduced demand, supply chain disruptions, labour problems, creating a domino effect on the financials and working capital cycles.

INDIAN ECONOMY OVERVIEW

The Indian economy started FY20 on a dull note due to the

ongoing liquidity crisis. In order to achieve the government’s vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% midyear.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. India’s crude oil import bill fell by 9% Y-o-Y to \$102 billion in 2019-20 on account of price crash; though volumes remained fairly unchanged. Foreign fund outflows and the Fed’s grim prognosis for the US economy further weighed on the rupee as it touched 77 against US dollar in April 2020. The CPI inflation stood at 5.84% YoY in March 2020 higher from 2.86% in March 2019. According to the Indian Budget 2020, the real GDP growth was estimated at 5.0% in the financial year 2019-20 but due to the recent COVID-19 crisis, it was ensured that FY2021 will be a challenging one for India and the world. As per Fitch ratings, India’s GDP growth is likely to slip to 0.8% for FY21.

KEY GOVERNMENT INITIATIVES

The Indian government has been continuously taking initiatives to strengthen the national economy. In the Union Budget 2020-21, the Agriculture sector was identified as one of the key drivers of the economy. The Central government will work with state governments to allow farmers to benefit from e-NAM. The government has further announced plans to launch Krishi Udaan on international and national routes. PM-KUSUM scheme has been extended to support 20 lakh farmers for setting up stand-alone solar pumps and further help another 15 lakh farmers solarize their grid-connected pumps. INR 1.34 lakh crore has been allocated for the Ministry of Agriculture and Farmer’s welfare and INR 8,363 crore has been allocated to the Department of Agricultural Research and Education.

PRADHAN MANTRI KISAN SAMMAN NIDHI YOJANA (PM KISAN)



Prime Minister of India, launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs 2,021 crore (US\$ 284.48 million) to the bank accounts of more than 10 million beneficiaries on February 24, 2019, and eligible farmers will get Rs 6,000 (US\$ 85.84) in three installments.

PRADHAN MANTRI ANNADATA AAY SANRAKSHAN ABHIYAN' (PM-AASHA)

In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy, under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.

AGRICULTURAL EXPORT POLICY, 2018

This new policy aims to increase India's agricultural exports to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime harnessing the export potential of Indian agriculture, through suitable policy instruments, to make India global power in agriculture and raise farmers' income.

ATMANIRBHAR BHARAT PACKAGE (AGRICULTURE)

Measures worth Rs 1.5 lakh crore focused on the agriculture and allied sectors including dairy, animal husbandry and fisheries as the government announced steps to strengthen the overall farm sector. Rs 1 lakh crore has been allocated to the agriculture infrastructure fund for farm-gate infrastructure including using it for setting up cold chains and post-harvest management infrastructure.

INDIAN AGRICULTURE SECTOR



The Indian Agricultural industry has reached a value of INR 56,564 Billion in 2019 and constitutes an important component of the Indian economy in terms of its contribution to the GDP as well as a source of employment to the majority of the country's population. India has the 10th largest arable land resource in the world. With 20 agri-climatic regions, all 15 major climates in the world exist in India. India also possesses 46 of the 60 soil types in the world. Growth in Gross Value Added (GVA) by agriculture and allied sectors stood at 4% in 2019-20.

The agriculture sector is showcasing a large amount of opportunities with India being one of the world's largest agricultural producers by value. A lot of transformations have taken place in this sector over the past few decades. These include - rising penetration of the organized sector, growth in contract farming, agriculture becoming more mechanized, easy loan facilities, the rise of exports, use of agrochemicals and high yielding seeds and an increasing role of the private sector in processing, branding, and marketing, etc.

GLOBAL PUMPS SECTOR

Global Pumps Market revenue is expected to cross USD 91 Billion by 2025. New technologies and digital transformations are rapidly changing the dynamics of various sectors so the global pumps market is no exception to this trend. Over the past few years, numerous key developments in the field have led to better efficiency, increasing demand, and saving valuable resources. The costs of energy keep on escalating, the cost of manufacturing activities also rises which prompted for more product innovation in the market while keeping a close eye on its impact on the environment.

GLOBAL PUMPS MARKET DRIVERS

Global Pumps market is growing fast due to the increase in demand from the building and construction and oil and gas industry in addition to the mining industry over the past few years and also their wide uses in various industries. Furthermore, there is an increase in investments in developing economies due to rapid urbanization in the Asia Pacific and Latin American regions. Expenditure in the fixed investment allows manufacturers to expand and upgrade their production facilities, which involves the usage of pumps for several applications. This trend is projected to boost the product market to a large extent.

OUTLOOK

The demand for water-pumps is expected to increase due to the increasing need for industrial wastewater treatment. The increased infrastructural developments in the emerging nations could have a positive impact on the water-pumps market. The development of the industrial and agricultural sectors, could increase the demand for water-pumps sector.

Moreover, the growing dependency on groundwater, instead of the monsoons, for irrigation and agricultural purposes in developing nations like India demonstrates an increase in the demand for water-pumps in the agricultural sector. Several global government initiatives for recycling of wastewater to reduce water pollution also indicates growth for waterpumps demand.

The need to consume clean water to maintain a healthy and disease-free lifestyle, the construction of water recycling industries, and rising demand for solar water-pumps indicates opportunities for water-pump players.

INTERNATIONAL SOLAR ALLIANCE



International Solar Alliance (ISA) is an alliance of 121 solar resource-rich countries lying fully or partially between the Tropics of Cancer and Capricorn. ISA was launched by the Indian Prime Minister Mr. Narendra Modi and the then President of France Mr. François Hollande in 2015.

The objective of the International Solar Alliance is to provide a dedicated platform for cooperation among solar resource-rich countries and global stakeholders, including bilateral and multilateral organizations, corporates, and industries to achieve a common goal. This goal is directed towards increasing the use of solar energy in meeting the energy needs of ISA member countries in a safe, convenient, affordable, equitable, and sustainable manner.

Through this initiative, the countries intend to mobilize more than USD 1,000 billion for investments by 2030. An important ISA focus comprises investments in solar pumps India, Bangladesh, Sudan, Uganda, Senegal, and Mauritius, among others.

Through this programme, members would also be able to implement the project effectively from in-built monitoring mechanisms and develop a large number of local employment opportunities.

INDIAN PUMPS MARKET



The Indian pump industry plays a very important role in almost every sphere including infrastructure and agriculture, contributes significantly to the growth of the Indian economy. Rapid depletion of groundwater, increased use of solar pumps coupled with government initiated projects and rapid urbanization contribute to the exponential growth of the water pumps market in India.

The water pump market in India is likely to cross USD 3.8 Billion by 2022. As the country moves towards urbanization, energy efficiency continues to be of importance. Solutions including intelligent water and wastewater management will witness increased demand, owing to initiatives like smart cities etc.

INDIAN PUMPS MARKET DRIVERS

The growth in the Indian Pumps Market is attributed to the rise in infrastructure development, growth in agriculture and other water-intensive industries. Further, the Government has announced Nal se Jal scheme, which aims to provide piped water connection to every household by 2024, which in turn will increase the demand for water pumps in the country. Also, initiatives like Swachh Bharat Abhiyan and Namami Gange will drive the growth of the pumps market in India.

OUTLOOK

India has 4 percent of the world's freshwater reserves and 18 percent of the world's population. The demand for water across various consumer segments has always been on the rise over the years. However, with the fixed supply of water resources, demand will outpace availability before 2050. Further, per capita availability of water, which is already declining, will plunge from 2,209 cubic metres in 1991 to 1,341 cubic metres by 2025.

To overcome this issue and ensure continuous availability of water, measures to improve water use by various end users is being taken up. The Ministry of Jal Shakti has identified full utilisation of the created facilities as an important strategy. The government has introduced measures such as improvement in

SOLAR PUMP INDUSTRY

The solar water pumping systems market in India has recorded a substantial growth in the last few years and is estimated to grow at a compound annual growth rate (CAGR) of more than 27 percent during 2018-2024. Indeed, support from the government of India to encourage the use of new and renewable energy has created a positive effect on the market. The National Solar Mission of India, an initiative by the government to promote solar energy, has set a target of achieving 100 GW of solar power by the year 2022. Some of the new government programs focusing on solar pumps and the agriculture sector are also helping to propel the growth in the sector.

Over 181,000 solar water pumps had been installed across the country by October 2019. Chhattisgarh accounted for the highest number of installations of 60,430 solar pumps, followed by Andhra Pradesh, a distant second with 28,267 installations. Here is a detailed list of state-wise installations. States with no installations have been excluded.

| States | Solar Pumps Installed in India | | | | Total |
|-------------------|--------------------------------|---------|---------|----------|--------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20* | |
| Andhra Pradesh | 4,841 | 13,925 | 9,501 | - | 28,267 |
| Arunachal Pradesh | 4 | - | - | - | 4 |
| Bihar | - | - | 225 | - | 225 |
| Chhattisgarh | 9,585 | 28,297 | 22,548 | - | 60,430 |
| Gujarat | 5,649 | 3,471 | - | - | 9,120 |
| Haryana | - | 750 | - | - | 750 |
| Jharkhand | 3,146 | 556 | 155 | 433 | 4,290 |
| Karnataka | 697 | 1,359 | 1,507 | - | 3,563 |
| Kerala | - | 8 | - | - | 8 |
| Madhya Pradesh | 2,007 | 1,771 | 12,229 | - | 16,007 |
| Maharashtra | 1,777 | 1,287 | 1,000 | 5,022 | 9,086 |
| Orissa | 5,922 | 1,718 | 530 | 224 | 8,394 |
| Punjab | - | - | 2,000 | - | 2,000 |
| Rajasthan | 9,867 | - | 6,985 | - | 16,852 |

irrigation practices through various flagship schemes such as the Pradhan Mantri Krishi Sinchayee Yojana, the Accelerated Irrigation Benefits Programme, and the Bharat Nirman programme, new irrigation techniques such as drip irrigation and the development of additional irrigation potential which in turn is highly potential for the pumps industry.

OPPORTUNITIES

Water Pumps market in India is witnessing an impressive rate of growth on the back of depleting ground water level, rapid urbanization, and various infrastructure initiatives launched with the purpose of improving infrastructure including construction of roads, homes, toilets, schools and cleaning of major water bodies such as the Ganges, Yamuna, etc.

Agriculture accounts for a significant share in the country's water pumps market. This demand is complemented by the industrial sector where power plants, chemical manufacturing and water & waste water treatment are the prime application areas.

Rapid penetration of desalination plants in the industrial sector is expected to drive the demand for water-pumps in the segment. Water pumps are gaining demand in the power sector as well.

| States | Solar Pumps Installed in India | | | | Total |
|----------------|--------------------------------|---------------|---------------|--------------|----------------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20* | |
| Tamil Nadu | 849 | - | 221 | 475 | 1,545 |
| Telangana | 424 | - | - | - | 424 |
| Uttar Pradesh | 5,644 | 1,223 | 8,382 | 81 | 15,330 |
| West Bengal | 605 | - | - | - | 605 |
| Others | - | - | 609 | - | 609 |
| Through NABARD | 2,027 | 1,985 | - | - | 4,012 |
| Total | 53,044 | 56,350 | 65,892 | 6,235 | 181,521 |

*As on Oct 31, 2019
Source: MNRE

SHAKTI PUMPS' COMPETITIVE ADVANTAGE

Shakti Pumps has been a leader and first-mover across the last couple of decades – first in the manufacture of stainless steel pumps, then in the manufacture of all components for these pumps, in the extension of these pumps to the solar segment and thereafter to the manufacture of all supporting digital sub-products to complete the solution.

The result is that the Company is an extensively integrated company, leveraging its engineering excellence to create complete product eco-systems that enhances sub-product dependence, quality and also captures the largest slice of the valuechain.

Steady progress in power electronics and PV panel efficiencies would widen the scope of solar energy applications leading to the development of integrated systems that can handle an array of domestic applications. Similarly improvements in efficiency of panels, pumps and controllers could optimize costs and enhance efficiency.

Besides, the Company has been an active player in the global water pumps sector with a rich experience of engaging in more than 125 countries.

SEGMENTAL OVERVIEW:

The company has broadly 4 business segments viz,

- 1) Government Solar
- 2) OEM
- 3) Exports
- 4) Domestic and Industrials

On a segment wise performance

The Government Solar stood at Rs. 12,195 lacs in FY20 which decreased by 46% from Rs. 22,647 lacs in FY19. The OEM declined by 52% in FY20 with a revenue of Rs. 4,606 lacs as compared to Rs. 9,614 lacs in FY19. The decline in both the segments was mainly because of the delay in the KUSUM scheme.

The export sales witnessed de-growth of 8% from Rs. 13,883 lacs in FY19 to Rs. 12,796 lacs in FY20.

The domestic and industrial in FY20 stood at Rs. 8,368 lacs as compared to Rs. 8,082 lacs in FY19, registering a growth of 4%

KUSUM YOJANA

The Indian government launched the Kisan Urja Suraksha Evam Utthaan Mahabhiyan (KUSUM) for farmer's welfare.

The objective of this scheme is to add solar and other renewable power plants in the country. The scheme aims to add solar and renewable capacity of 25,750 MW by 2022 with Central financial support of Rs. 34,422 crore.

KUSUM can be a game-changer for India's irrigation and energy economies. At present, there are over 30 million agricultural pumps installed in India, out of which nearly 10 million pumps are diesel-based and balance are electric, grid-connected pumps. The Distribution Companies (DISCOMs) are not in a position to energize these pumps through grid connection as seen from the long waiting lists with such Distribution Companies. Hence, there is a need to provide a clean source of energy to these pumps through solar energy. In addition, over 20 million grid-connected agriculture water pumps installed in the country consume more than 17 percent of the total annual electricity consumption of the country. Solarisation of the same can reduce the dependence of these pumps on conventional sources of energy supplied by DISCOMs and thus reducing their burden of subsidy on agriculture consumption of Electricity. This will also provide an additional source of income to farmers who will be in a position to sell the surplus power to DISCOMs. The new Scheme has provisions for decentralized renewable energy plants, solar agriculture water pumps and solarization of existing Grid-connected Agriculture pumps.

ENERGY EFFICIENCY SERVICES LIMITED (EESL) AND INDIA'S SOLAR PUMPS SECTOR

Energy Efficiency Services Limited is a joint venture of NTPC Limited, Power Finance Corporation, Rural Electrification Corporation, and Power-grid Corporation set up under the Ministry of Power to facilitate the implementation of energy efficiency projects. EESL aims to unlock the energy efficiency market that can result in energy savings of up to 20% of the current consumption by way of innovative business and implementation models and is engaged in solarizing India's

water pumps which is a viable alternative to power requirements of farmers during the day. The solution will make it possible for farmers to receive considerable monthly revenue by selling excess power to the grid across 25 years. EESL plans to replace

around 2.27 crore pump sets used in India's agriculture sector with energy-efficient pump sets that could result in an annual saving of 4,600 crore kWh and GHG emission reduction of 4.5 crore tonnes annually.



THE COMPANY'S REVIEW

Shakti Pumps is India's leading manufacturer of energy-efficient submersible pumps for the agriculture, domestic and horticulture sectors.

The Company went into business in 1982 and is now a recognised brand inside and outside of India. The Company is respected for perpetually transforming its personality: from cast iron submersible pumps to stainless steel to the solar variety.

Shakti Pumps pioneered the manufacture of 100% submersible stainless steel pumps and motors. Over the years, the Company has emerged as the second largest such pump manufacturer in the world.

FINANCIAL REVIEW

Profit and loss account analysis

Gross revenues

Gross revenues decreased by 30% to Rs. 38,282 lacs in 2019-20, compared with Rs. 54,369 lacs reported in 2018-19.

Operating profit

Operating profit (EBITDA) decreased by 86% amounting to Rs. 1,634 lacs in during 2019-20 from Rs. 9,297 lacs in 2018-19.

Depreciation

Depreciation for the year under review stood at Rs. 1,720 lacs, compared with Rs. 1,504 lacs recorded in the previous year, up by 14% on a Y-o-Y basis.

Finance costs

Finance costs for the year under review increased by 17% from Rs. 1,781 lacs in FY19 to Rs. 2,079 lacs in FY20.

Net profit/loss

Net loss for the year under review stood at Rs. 1,408 lacs compared to a profit of Rs. 4,509 lacs in the previous year.

Balance Sheet analysis

Net worth: The Company's net worth stood at Rs. 26,515 lacs as on March 31, 2020, decreasing by 9%, compared with Rs. 29,039 lacs as on March 31, 2019. The net worth comprised paid up equity share capital amounting to Rs. 1,838 lacs as on March 31, 2020 (1,83,80,156 equity shares of Rs. 10 each fully paid up). The Company's reserves and surplus stood at Rs. 24,677 lacs.

Loan profile: Short-term loan funds stood at Rs. 15,839 lacs compared to the previous year's Rs. 14,844 lacs, while long-term borrowings stood at Rs. 2,611 lacs. The Company's total debt as on March 31, 2020 stood at Rs. 18,450 lacs compared to the previous year's level of Rs. 16,979 lacs.

Total assets: The Company's total assets decreased to Rs. 54,062 lacs in 2019- 20 from Rs. 58,340 lacs in 2018- 19, representing a decrease of 7%.

Inventories

Inventories were Rs. 14,455 lacs as on March 31, 2020 compared to Rs. 13,557 lacs as on March 31, 2019.

Trade receivables

Sundry debtors of the Company stood at Rs. 12,526 lacs at the close of FY20, compared to Rs. 18,054 lacs at the close of the previous year.

Trade payables

Trade payables stood at Rs. 5,143 lacs as on March 31, 2020, compared with Rs. 7,214 lacs in the previous year

KEY FINANCIAL RATIOS

| Particulars | 2019-20 | 2018-19 | Change |
|---|---------|---------|---------|
| Debtors' turnover | 2.42 | 3.28 | 26.26% |
| Inventory turnover | 2.21 | 3.06 | 27.60% |
| Interest coverage ratio | -0.04 | 4.38 | 100.94% |
| Current ratio | 1.53 | 1.61 | 5.37% |
| Debt-Equity ratio | 0.73 | 0.61 | -18.51% |
| Operating profit margin (%) | 4.42% | 17.52% | 74.76% |
| Net profit margin (%) or sector-specific equivalent ratio as applicable | -3.64% | 8.19% | 144.41% |

RISK MANAGEMENT

| | |
|---|---|
| <p>Competition risk</p> <p>Increased competition may affect the Company's profit margins.</p> | <p>Mitigation</p> <p>The Company's qualitative consistency ensures that it is able to address the different needs of customers in a competitive marketplace.</p> |
| <p>Manufacturing risk</p> <p>The Indian pump market mainly depends on the agricultural sector due to the unpredictability of the monsoon. So irregularity of monsoon may lead to demand fluctuation in the market which will ultimately lead to under-utilization of capacities.</p> | <p>Mitigation</p> <p>The Company has a presence in 100 countries and 13 States in India. It also has a wide product portfolio and fungible production facilities.</p> |
| <p>Technological risk</p> <p>A decline in quality of the product could lead to reduction in demand.</p> | <p>Mitigation</p> <p>Shakti Pumps utilizes the state-of-the-art technology and robotics to guarantee the manufacture of superior quality products marked by increased precision, accuracy and performance.</p> |
| <p>Inflation risk</p> <p>The increase in the cost of critical inputs could affect the profitability of the Company.</p> | <p>Mitigation</p> <p>The Company strategically hedges against risks by buying the right quantity at the right price.</p> |
| <p>Liquidity risk</p> <p>If the Company is not able to sell the product efficiently then this will lead to a reduction in the liquidity of the Company.</p> | <p>Mitigation</p> <p>The Company monitors and controls liquidity regularly and maintains a minimum requirement at all times.</p> |
| <p>Brand risk</p> <p>Inefficient marketing campaigns could lead to a decline in brand value.</p> | <p>Mitigation</p> <p>The Company invests regularly in promotional initiatives to enhance its brand value all over the world.</p> |
| <p>Currency risk</p> <p>An undervaluation of the rupee can affect the Company's export revenues.</p> | <p>Mitigation</p> <p>The Company hedges itself by using financial instruments that help minimize foreign exchange fluctuation risks to a large extent.</p> |

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a reasonable system of internal control comprising authority levels and powers, supervision, checks and balances, policies and procedures so as to ensure orderly and efficient conduct of business, safeguard the assets of the business, prevent and detect fraud, ensure the completeness and accuracy of accounting records, to ensure the timely preparation of financial information. Further, the system is reviewed and updated on an on-going basis on recommendations as and when made by the Statutory Auditors, Internal Auditors and Independent Audit Committee of the Board of Directors.

HUMAN RESOURCES

At Shakti we believe that "Company grows when its people grow" and hence we continuously strives to emphasize creation of a conducive work environment and development of a robust and

consistent approach towards talent management & leadership development. As on 31st March, 2020, Company had 541 employees.

CAUTIONARY STATEMENT

The information and opinion expressed in this report and as well as the Directors' Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the spend by government in agriculture, infrastructure, significant changes in political and economic environment in India, volatility in the prices of major raw materials and its availability, tax laws, exchange rate fluctuations, interest and other costs.



NOTICE

Notice is hereby given that the 25th Annual General Meeting (AGM) of the Members of Shakti Pumps (India) Limited will be held through video conferencing ("V.C./ other Audio Visual means)" "OAVM" on 29th September, 2020, Tuesday, at 12:30 P.M. to transact the following Business :-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial Statements) for the financial year ended March 31, 2020 and the Report of the Directors and Auditors thereon.
2. To appoint Director in place of **Mr. Ramesh Patidar (DIN:00931437)**, who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:-

3. To consider and, if thought fit, to pass the following resolution as a Special Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Nishtha Neema (DIN:01743710), Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on her evaluation of performance, the Nomination and Remuneration Committee has recommended her re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from March 27th 2020 to March 26th, 2025.

4. Ratification of Remuneration payable to Cost Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**: -

Ratification of Remuneration payable to **M/s. M.P. Turakhia & Associates**, Cost Accountants (Firm Registration No. 000417) appointed as Cost Auditor of the Company for the year 2020-21.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M. P. Turakhia & Associates, Cost Accountants (Firm Registration No. 000417) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2020-21, be paid a remuneration of Rs. 55,000/- per annum plus applicable Goods & Services Tax and out of pocket expenses that may be incurred."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**For and on the behalf of the Board
Shakti Pumps (India) Limited**

**Ravi Patidar
Company Secretary
M. No. ACS 32328**

**Place: Pithampur
Date: August 27, 2020**

NOTES:-

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 25th AGM of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/ OAVM is explained at below and is also available on the



website of the Company at www.shaktipumps.com.

3. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution Authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at cs@shaktipumpsindia.com.

4. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT: -

In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

5. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at cs@shaktipumpsindia.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.:Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to cs@shaktipumpsindia.com.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Book of the Company shall remain closed from **Wednesday, September 23, 2020 to Tuesday, September 29, 2020** (both days inclusive).
8. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd, 19/20, Jafferbhoy Industrial Estate, 1st Floor Makwana Road, Marol Naka Mumbai, Maharashtra-400059.

9. The Ministry of Corporate Affairs had notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 27th September, 2019. (date of last AGM) are available on the website of the Company <https://www.shaktipumps.com/> and on Ministry of Corporate Affairs' website. The Member(s) whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/>.
10. Members having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at least 15 days in advance of the Meeting at the Company's registered office or at E-mail Id: cs@shaktipumpsindia.com to enable the Company to collect the relevant information and redress the queries.
11. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of:-
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

PROCEDURE FOR INSPECTION OF DOCUMENTS: -

12. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on cs@shaktipumpsindia.com.
13. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189.

GENERAL INFORMATION

14. The Board of Directors of the Company has appointed Mr. Manish Maheshwari (C.P 3860) Proprietor of M/s M. Maheshwari & Associates, Indore as Scrutinizer to scrutinize the remote e-voting process and Ballot papers process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the paid up value of shares registered in their name as at close of business hours on the Cut-Off date i.e. Tuesday, September 22, 2020. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.
15. The Company has appointed Mr. Manish Maheshwari (C.P 3860) Proprietor of M/s M. Maheshwari & Associates, Indore, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter, the remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the paid up value of shares registered in their name as at close of business hours on the Cut-Off date i.e. Tuesday, September 22, 2020. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in the employment of the Company and shall within 2 days of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized who shall countersign the same and declare the result of the voting forthwith.
17. The results along with Scrutinizer's Report, will be placed on the Company's website at www.shaktipumps.com and the website of CDSL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
18. Members of the Company had approved the appointment of M/s. PGS & Associates Chartered Accountants Mumbai (FRN:-122384W), as the Statutory Auditors of the Company from the Conclusion 23rd AGM of the Company till the

Conclusion of 26th AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.

19. In terms of Section 152 of the Act, Mr. Ramesh Patidar (DIN00931437) is liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.
20. SEBI vide their Circular No. SEBI/HO / MIRSD /DOP1/ CIR/2018/73 dated 20th April, 2018 has mandated all listed Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by the Companies. You are requested to update your PAN and Bank details by writing to the Company's RTA.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not

include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the /AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.shaktipumps.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Saturday, September 26th 2020, 9:00 A.M. and ends on Monday, September 28th 2020, 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 22nd September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your



password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant SHAKTI PUMPS (INDIA) LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xvi) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app **“m-Voting”**. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:-

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@shaktipumpsindia.com/info@adroitcorporate.com
2. For Demat shareholders-, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated

Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE /AGM THROUGH VC/OAVM ARE AS UNDER:-

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-



1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@shaktipumpsindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting,

you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

ANNEXURE TO THE NOTICE

Explanatory Statement in respect of Special Business Pursuant to Section 102 of The Companies Act, 2013

Item No. 3:- Reappointment of Mrs. Nishtha Neema (DIN:01743710) for Further period of 5 years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company had at the Board Meeting held on 28th March, 2015 approved the appointment of Mrs. Nishtha Neema (DIN: 01743710) Independent Directors for a period of 5 years commencing from 28th March 2015 to 27th March 2020.

Based on her performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, Mrs. Nishtha Neema is eligible for re-appointment as an Independent Directors and had offered herself for re-appointment. The Board of Directors recommends the proposal to re-appoint her as an Independent Directors for a term as mentioned in special resolution.

In the opinion of the Board, Independent Directors fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that association of the Independent Directors would be of immense benefit to the Company considering their expertise and experience and it is desirable to avail services of these Independent Director.

Accordingly, the Board recommends the resolution in relation to



appointment of Mrs. Nishtha Neema (DIN: 01743710) as Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Nishtha Neema (DIN: 01743710), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No.4: Appointment of Cost Auditor and ratification of remuneration paid thereof.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on August 05, 2020, the Board has, considered and approved the

appointment of **M/s. M. P. Turakhia & Associates**, Cost Accountants as the cost auditor for the financial year 2020-21 at a remuneration of Rs. 55,000/- per annum plus applicable Goods & Services tax and reimbursement of out of pocket expenses.

The Board recommends this Ordinary resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

**For and on the behalf of the Board
Shakti Pumps (India) Limited**

**Ravi Patidar
Company Secretary
M. No. ACS 32328**

**Place: Pithampur
Date: August 27, 2020**

Information pursuant to 1.25 of the Secretarial Standards on General Meetings (SS-2) regarding Director seeking appointment/ Re-appointment:-

| Name of Directors | Mr. Ramesh Patidar | Mrs. Nishtha Neema |
|--|------------------------|---|
| Date of Birth | January 25, 1973 | December 1, 1980 |
| Expertise in specific functional areas | International Business | Accounting and Taxation |
| Date of appointment | October 17, 2006 | March 28, 2015 |
| No. of Equity Share held in the Company | 76848 Equity Shares | Nil |
| Disclosure of relationships between directors inter-se | Nil | Nil |
| Qualification | MBA | CA, B.Com |
| List of outside Directorship held in Public Company | Nil | Nil |
| Chairman/Member of the Committee of the Board of Directors of the Company | Nil | 1. Chairman in audit Committee 2. Member in Nomination and Remuneration Committee. 3. Member in Corporate Social Responsibility Committee 4. Member in Stakeholder Relationship Committee. |

BOARDS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 25th Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial Summary:-

(Rs. In Lacs)

| Particulars | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
|--|------------|----------|--------------|-----------|
| | Standalone | | Consolidated | |
| Sales & Other Income | 36,073.50 | 52,591.2 | 38,691.14 | 54,644.99 |
| Profit before Finance Cost, Depreciation & Tax | 583.13 | 7,692.81 | 1,633.85 | 9,296.80 |
| Finance Cost | 1,865.59 | 1,673.79 | 2,079.23 | 1,780.66 |
| Depreciation & Amortization Expenses | 1,645.68 | 1,487.62 | 1,719.69 | 1,504.38 |
| Profit/(Loss) before Tax | (2,928.14) | 4,531.40 | (2,165.07) | 6,011.76 |
| Less:-Current Tax | 148.74 | 1,216.03 | 333.42 | 1,326.73 |
| Less:-Deferred Tax | (1,035.71) | 172.27 | (1,090.85) | 177.53 |
| Profit/(Loss) after Tax | (2,041.71) | 3,143.10 | (1,407.64) | 4,507.50 |

FINANCIAL PERFORMANCE

During the year, your Company has register sales and other income Rs. 38691.14 Lacs as compared to Rs. 54644.99 lacs of previous year. Company was able to register domestic sale of Rs. 24,158.26 Lacs and export sale of Rs. 12,793.64 Lacs in the current year.

Key Financial Ratios: -

| Particulars | 2019-20 | 2018-19 | 2017-18 |
|---|---------|---------|---------|
| Return on Net Worth (%) | -5.31% | 15.52% | 13.45% |
| Return on Capital Employed (%) | -0.19% | 16.72% | 18.43% |
| Basic EPS (after exceptional items) (₹) | -7.66 | 24.52 | 18.56 |
| Debtors turnover | 2.42 | 3.28 | 3.02 |
| Inventory turnover | 2.21 | 3.06 | 2.65 |
| Interest coverage ratio | -0.04 | 4.38 | 4.78 |
| Current ratio | 1.53 | 1.61 | 1.86 |
| Debt equity ratio | 0.73 | 0.61 | 0.43 |
| Operating profit margin (%) | 4.42% | 17.52% | 19.05% |
| Net profit margin (%) | -3.64% | 8.19% | 7.75% |

*Interest coverage ratio has dropped because of accounting impact of Ind AS 116.

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

Detailed explanation of ratios

(i) Return on Net Worth

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing profit after tax for the year by Net Worth during the year.

(ii) Return on Capital Employed

Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by capital employed during the year.



(iii) Basic EPS

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing Profit for the year by Weighted average number of shares outstanding during the year.

(iv) Debtors Turnover

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing revenue from operation by average trade receivables.

(v) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing COGS.

(vi) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

(vii) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(viii) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total borrowing by its shareholder's equity.

(ix) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

(x) Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

TRANSFER OF RESERVE

The Company has not transferred any amount to the General Reserves for the year ended 31st March 2020.

LISTING INFORMATION

The Company Shares are listed as follows:

| Name of Stock Exchanges | Stock Code/Symbol |
|--|-------------------|
| BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001 | 531431 |
| National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. | SHAKTIPUMP |

SHARE CAPITAL

There is no change in the authorized share capital of the company and the authorized share capital of the Company as on 31st March, 2020 is Rs. 40.00 crores.

The Company has not allotted any Shares during the year. The paid up share capital of the Company as on 31st March, 2020 is Rs. 18,38,01,560/-.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

As on March 31, 2020 your Company is having following Subsidiaries:-

1. Shakti Pumps USA, LLC
2. Shakti Pumps FZE, UAE
3. Shakti Pumps Pty Ltd, Australia
4. Shakti Pumps (Shanghai) Limited- China
5. Shakti Pumps (Bangladesh) Limited
6. Shakti Energy Solutions Private Limited.

There has been no material change in the nature of the business of the Company and its Subsidiaries.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of financial statements of Subsidiaries Companies in Form AOC-1 in **Annexure -I.**

The Consolidated Financial Statement of the Company prepared as per the Accounting IND-AS Consolidated Financial Statement of the Company with its Subsidiaries have also been included as part of this Annual Report.



DIRECTORS RESPONSIBILITY STATEMENT

As required by section 134 (3) (c) of Companies Act 2013.
Your Directors state that:-

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material developments during the financial year.

CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organizations brand and reputation. The Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 have strengthened the governance regime in the country. The Company is in compliance with the governance requirements and had probatively adopted many provisions ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

A separate report on Corporate Governance is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance. A Certificate of the MD and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures.

DEPOSITS

During the financial year 2019-20, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF SIGNIFICANT AND MATERIALS ORDER PASSED BY THE REGULATORS, COURTS, TRIBUNAL

No significant and material order has been passed by the regulator, courts, tribunals impacting the going concern status and Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY

In line with provisions of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for the development of programs and projects for the benefit of weaker sections of the Society and the same has been approved by CSR Committee and the Board of Directors of the Company.

CSR policy has been uploaded on the Company's website at www.shaktipumps.com.

Pursuant to requirements under section 135 and rules made there under a Report on CSR activities and initiatives taken during the year in prescribed format is given in **Annexure II** which is annexed hereto and forms part of Director Report.

RISK MANAGEMENT

Risk management is the process of identification, assessment, and prioritization of risk followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid a comprehensive risk assessments and minimization procedure which is reviewed by the audit committee and approved by Board.

INTERNAL FINANCIAL CONTROL

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and



completeness of the accounting records, and the timely preparation of reliable financial information.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with related parties during the financial year 2019-20, were on an arm's length basis and were in ordinary course of Business and the provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions during the year made by the Company with promoter, Directors, Key Managerial personnel or other designated persons which may have potential conflict with the interest of the Company at large.

All related party transactions are placed before the audit committee for approval. Prior omnibus approval of the audit committee is obtained for the transaction which is of a foreseen and repetitive nature. Transaction entered into pursuant to omnibus approval so granted along with statements giving details of all related party transaction are placed before the audit Committee.

In line with the requirements of the Companies Act, 2013 and SEBI Listing Regulation 2015, the Board has approved a Policy on Related Party Transactions which is also available on Company's website at www.shaktipumps.com.

DIRECTORS

Mr. Ramesh Patidar, Whole-Time Director (DIN:00931437) retires from the Board by rotation and being eligible, offers himself for reappointment.

The above is subject to approval of the Shareholders in the ensuing Annual General Meeting.

Appointment/Re-appointment of independent Directors:

- (a) The Board at its meeting held on 14th February 2020, pursuant to the recommendation of Nomination and Remuneration Committee and taking into account the report of performance evaluation, re-appointed Mrs. Nishtha Neema (DIN 01743710) as an independent director for a second consecutive term of 5 years for a period of Five years from 27th March 2020 to 26th March 2025.
- (b) The Board at its meeting held on 11th June 2019, pursuant to the recommendation of Nomination and Remuneration Committee, appointed Mr. Keyur Bipinchandra Thaker (DIN 08474827) as additional independent director for a period of 5 years with effect from 11th June 2020.

The Board opines that the independent directors so appointed/re-appointed are of integrity and possess the requisite expertise and experience (including the proficiency). Necessary details regarding the appointment

and re-appointment as required under the Companies Act, 2013 and Listing Regulations, 2015 are given in the notice of annual general meeting. The aforesaid appointments are subject to approval of shareholders at the ensuing annual general meeting.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors. The Nomination and Remuneration Policy for the members of Board and Executive Management is available on the Company's website, www.shaktipumps.com.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In accordance with the provisions of Schedule IV of the Companies Act 2013, a Separate Meeting of the Independent Directors was held on November 14, 2019, without the attendance of Non-Independent Directors and Members of the Management. The Committee has reviewed the performance and effectiveness of the Board in this meeting as a whole for the Financial Year 2019-20.

FINANCE & ACCOUNTS

The agenda for the Finance and Accounts function of your Company is to assist in driving superior performance of the business, pioneer-thought leadership and develop future-ready talent in finance.

RISK AND INTERNAL ADEQUACY

Your company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Control Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.



KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Dinesh Patidar: - Managing Director (DIN: 00549552)

Mr. Sunil Manoharlal Patidar: - Whole Time Director (DIN:02561763)

Mr. Ramesh Patidar: - Whole Time Director (DIN: 00931437)

Mr. Dinesh Patel: - Chief Financial Officer

Mr. Ravi Patidar: - Company Secretary & Compliance Officer

NUMBER OF MEETINGS OF THE BOARD

The details of the number of Board and Audit Committee meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is given in **Annexure III**.

DISCLOSURE BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide the healthy environment to all its employees, the company has in place a Prevention of the Sexual Harassment Policy and an Internal complaints committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, The policy aims at educating employees on conduct that constitute sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. The Company has also constituted an Internal Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, no complaints were received against the sexual harassment at workplace.

SECRETARIAL AUDITOR

The Board has appointed Mr. Manish Maheshwari (FCS 5174), Practicing Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit

Report is annexed herewith **Annexure IV** to this Report. The Secretarial Audit Report contain adverse remark for non-filing of Form MGT 14 dated November 14, 2019 for exercising the borrowing power.

Explanation of Adverse Remark:-

Filing of Form MGT -14 was overlooked due other occupancies and the same has been filed.

COST AUDITOR

As per the requirement of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company has been carrying out audit of Cost Records.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. M.P. Turakhia & Associates, Cost Accountant, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2020-21 at a remuneration of Rs. 55,000 As required under the Companies Act, 2013. A resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2020 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as **Annexure V** and forms part of this Report.

COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013.

VIGIL MECHANISM

The Company has framed a vigil mechanism/whistle blower policy to deal with unethical behavior actual or suspected fraud or violation of the Companies Code of Conducts or ethics policy, if any. The Vigil Mechanism/ whistle blower policy has been uploaded on the website of the Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED.

The Details of loans, guarantees or investments covered under the provision of under Section 186 of the Companies Act, 2013 are given in the Note to the Financial Statement.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO



The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as “Annexure VI” to this Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report forms a part of this Annual Report is set out herewith as “Annexure VII” to this Report.

APPRECIATION AND ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

The board places on record its appreciation for the support and co-operation your company has been receiving from its suppliers, retailers, dealers and other associated with the company.

Your company looks upon them as partners in its progress and

has shared with them the rewards of growth. It will be your Company’s endeavor to build and nurture strong links on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Directors also take the opportunity to thank all shareholders, clients, vendors, Banks, Government and Regulatory authorities and stock exchanges, for their continued support.

**For and on behalf of the Board of Directors
SHAKTI PUMPS (INDIA) LIMITED**

**Dinesh Patidar
Managing Director
DIN:-00549552**

**Place: -Pithampur
Dated: -August 27, 2020**



ANNEXURE "I"

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| 1. Name of the subsidiary | Shakti Pumps LLC USA | Shakti Pumps FZE UAE | Shakti Pumps PTY Limited. | Shakti Pumps (Shanghai) Limited | Shakti Pumps (Bangladesh Limited) | Shakti Energy Solutions Pvt. Ltd. |
|--|----------------------|----------------------|---------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| 2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.03.2020 |
| 3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | USD 74.05 | AED 19.75 | AUD 45.15 | RMB 10.75 | BDT 0.89 | INR 1.00 |
| 4. Share capital | 3331941 | 15656115 | 11781963 | 1691875 | 3726750 | 19957610 |
| 5. Reserves & surplus | 182033401 | 85040801 | (2722016) | 7766 | (1477572) | 133641391 |
| 6. Total assets | 198512932 | 146627708 | 9178487 | 2661929 | 2291228 | 344408894 |
| 7. Total Liabilities | 13147590 | 45930792 | 118540 | 962288 | 42050 | 190809893 |
| 8. Investments | - | - | - | - | - | - |
| 9. Turnover | 241753620 | 569278990 | 9908758 | 21742454 | - | 240746045 |
| 10. Profit before taxation | 77166593 | 29068924 | (758373) | (1754620) | (1321387) | (21565208) |
| 11. Provision for taxation | 18468312 | - | - | - | - | (5567617) |
| 12. Profit after taxation | 58698280 | 29068924 | (758373) | (1754620) | (1321387) | (15997591) |
| 13. Proposed Dividend | - | - | - | - | - | - |
| 14. % of shareholding | 100 | 100 | 100 | 100 | 99.99 | 100 |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations.
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B":- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of associates/Joint Ventures | NA | NA | NA |
|---|----|----|----|
| 1. Latest audited Balance Sheet Date | | | |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | | |
| No. | | | |
| Amount of Investment in Associates/Joint Venture | | | |
| Extend of Holding% | | | |
| 3. Description of how there is significant influence | | | |
| 4. Reason why the associate/joint venture is not consolidated | | | |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | | | |
| 6. Profit/Loss for the year | | | |
| i. Considered in Consolidation | | | |
| ii. Not Considered in Consolidation | | | |

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

ANNUAL REPORT

ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the company’s CSR policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society. To pursue these objectives, we will continue to:

1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
2. Collaborate with like minded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
3. Interact regularly with stakeholders, review and publicly report our CSR initiatives.

The CSR policy is available on companies website. i.e. www.shaktipumps.com.

Average net profit of the company for last three financial years:-

Average net Profit Rs. 22,08,30,021/-

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) The Company is required to spend Rs. 4,416,600/- for the financial year 2020-21 and unspent amount of Rs. 70,59,766/- for the year 2019-2020.

5. Details of CSR spend for the financial year 2019-20:-

- a) Total amount spent for the financial year 2019-20, Rs. 25,00,669/-
- b) Amount unspent 2019-20:- Rs. 70,59,766/-.
- c) Manner in which the amount spent during the financial year is detailed below:-

| S. No. | CSR Project or Activity identified | Sector in Which the project is Covered | Projects or Programs (1) Local Area or other (2) Specify the State and District where Projects or Programs was undertaken | Amount Outlay (Budget) project or programs wise (Rs.) | Amount spent on the project or programs (Rs.) | Cumulative expenditure upto reporting period (Rs.) | Amount spent: Direct or through Implementing agency (Rs.) |
|--------|--|--|---|---|---|--|---|
| 1 | Installation of Pump Set at Indian Institute of Technology | Social | Gandhinagar Gujarat | 60,000 | 57,369 | 57,369 | 0 |
| 2 | Installation of Solar Pump system at Saur Urja Utpadak Sahakari Mandi | Social | Dhundi Ahmedabad | 1,00,000 | 9,08,148 | 9,65,517 | 0 |
| 3 | Donation to Shakti Foundation | Social | Indore | 11,00,000 | 11,00,000 | 20,65,517 | 0 |
| 4 | Donation for Annual Function | Social | Mhow | 5,000 | 5,000 | 20,70,517 | 0 |
| 5 | Donation for Mandu Ustav | Social | Dhar | 10,000 | 9,600 | 20,80,117 | 0 |
| 6 | Donation to Welfare Fund PHQ Bhopal | Social | Dhar | 25,000 | 25,000 | 21,05,117 | 0 |
| 7 | Donation to School | Social | Dhar | 1,00,000 | 1,00,000 | 22,05,117 | 0 |
| 8 | Installation of system at SGSITS Engineering College | Social | Indore | 1,40,000 | 89,264 | 22,94,381 | 0 |
| 9 | Installation of Solar Pump system at M.P. Paschim Kshetra Vidhyut Vitara | Social | Indore | 2,90,000 | 2,06,288 | 25,00,669 | 0 |



Implementing Agency: -

6. During the financial year Company has spent Rs. 25,00,669/-out of Rs. 95,60,435/-and the Company could not spend the remaining balance amount due to difficulties of fund allocation and need more time for verification of various proposal received from Implementing Agencies. Company is fully committed & dedicated towards its Social Responsibility.

The Unspent Amount for the Financial Year 2019-20:-Rs. 70,59,766/-.

The Company is required to spend Rs. 4,416,600/- (2% of Average Net Profit of 3 Years) for the financial year 2020-21.

The Total Amount required to be spent for the Financial 2020-21 of Rs. 1,14,76,366/-

7. The CSR Committee of the Board of Directors hereby confirms that implementation and Monitoring is fully accordance with the CSR Policy of the Company. The amount spent under CSR activities was fully complied with CSR objective and Policy of the Company. The said contribution does not violate any provision of the Companies Act, 2013 and Rules made their under.

Signature

Dinesh Patidar
Managing Director
(DIN :00549552)

Signature

Pramod Kumar Bhawsar
Chairman CSR Committee
(DIN :07825119)

ANNEXURE "III"

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION MANAGERIAL PERSONNEL RULE 2014.

- 1) The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2019-20 and ratio of remuneration of each key managerial personnel (KMP) against the performance are as under:-

| S. No | Name of Director/KMP and Designation | Remuneration of Director/KMP for the Financial year 2019-20 (In Rs.) | Percentage Increase in Remuneration for the Financial Year 2019-20. | Ratio of Remuneration of each Director to the Median Remuneration of Employees |
|-------|---|--|---|--|
| 1 | Mr. Dinesh Patidar Managing Director | 3,12,03,185 | 25.49% | 74.08 |
| 2 | Mr. Sunil Patidar Whole-Time Director | 12,87,090 | 7.25% | 3.06 |
| 3 | Mr. Ramesh Patidar Whole-Time Director | 41,69,500 | 9.85% | 9.90 |
| 4 | Mr. Dinesh Patel Chief Financial Officer | 19,97,232 | 19.43% | 4.74 |
| 5 | Mr. Ravi Patidar Company Secretary | 11,85,000 | 34.66% | 2.81 |

- 2) The Median Remuneration of Employees of the Company during the financial year was Rs. 4,21,212/-.
- 3) There was an increase of 8.58% in median remuneration of employees during the financial year.
- 4) The number of permanent employees on the rolls of the Company is 591 for the year ended March 31, 2020.
- 5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year 2019-20 was 0.25% affirmed that remuneration paid during the year ended March 31, 2020 is as per the Remuneration Policy of the Company.



ANNEXURE "IV"

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327
Plot No. 401, 402 & 413 Sector III Industrial Area
Pithampur, (M.P.) - 454774

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAKTI PUMPS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me / us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **March 31, 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guide lines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amendments from time to time. [Not Applicable as the Company has not issued further share capital during the financial year under review];
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (Not Applicable to the Company during the Audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. [Not Applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the financial year under review.]



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review].
- vi. We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company
- Workmen's compensation Act, 1923 and all other allied labor laws,
 - Applicable Direct and Indirect Tax Laws.
 - Prevention of Money Laundering Act, 2002
 - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
 - SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- The Company has not filed the Form MGT 14 for the Board Meeting dated 14th November, 2019 for exercising the borrowing power.**

We further report that:

We rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes, the decisions at the Board Meeting were taken unanimously.

As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period, the Company has no event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard.

Note: This Report is to be read with our letter even date which is annexed as Annexure A and forms and integral part of this report.

**For M. Maheshwari & Associates
Company Secretaries
Firms U.C.N. I2001MP213000**

**Manish Maheshwari
Proprietor
FCS-5174
CP-3860**

**Date : 24th August 2020
Place : Indore
UDIN : F005174B000607875**



To,
The Members,
SHAKTI PUMPS (INDIA) LIMITED
CIN: L29120MP1995PLC009327
Plot No. 401, 402 & 413 Sector III Industrial Area
Pithampur, (M.P.) - 454774

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliances of laws, rules, regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

For M. Maheshwari & Associates
Company Secretaries
Firms U.C.N. I2001MP213000

Manish Maheshwari
Proprietor
FCS-5174
CP-3860

Date : 24th August 2020
Place : Indore
UDIN : F005174B000607875



ANNEXURE "V"

Form MGT 9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2020

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:-

| | | |
|-----|--|---|
| I | CIN | L29120MP1995PLC009327 |
| ii | Registration Date | 21/04/1995 |
| iii | Name of the Company | Shakti Pumps (India) Limited |
| iv | Category/Sub-category of the Company | Company limited by shares/Indian Non-Government Company |
| V | Address of the Registered office & contact details | Plot no. 401,402 & 413 Sector III Industrial Area Pithampur -Dist. Dhar-M.P.-454774 |
| Vi | Whether listed company | Yes |
| Vii | Name , Address & contact details of the Registrar & Transfer Agent, if any | Adroit Corporate Services Pvt. Ltd. 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059. Tel: +91 (0) 22 42270400 Direct: +91 (0)22 42270423 Fax: +91 (0)22 285037 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| Sr. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Manufacturing Pumps and Motors | 28120 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sr. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1 | Shakti Pumps USA, LLC | 821 West forest Brook Rd Maitland 32751 | Wholly Owned Subsidiary |
| 2 | Shakti Pumps FZE, UAE | Saifzone Sharjah, UAE.PO BOX | Wholly-Owned Subsidiary |
| 3 | Shakti Pump Pty Ltd. Australia | Suite 301, Level 3, 171 Clarence Street, Sydney,NSW,2000 | Wholly-Owned Subsidiary |
| 4 | Shakti Energy Solution Pvt. Ltd | S-3/4, Industrial Area,Sector III, Pithampur 454001 IN | Wholly-Owned Subsidiary |
| 5 | Shakti Pump (Shanghai) Ltd, China | Suite 137, 1st Floor, No.45 FEI La Road, Shanghai Free Trade Zone,China. | Wholly-Owned Subsidiary |
| 6 | Shakti Pumps (Bangladesh) Limited | Avenue Circle -1, 57-57A Gulshan Ave , Dhaka-1212 | Subsidiary |

(Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporates | 518994 | 0 | 518994 | 2.82 | 518994 | 0 | 518994 | 2.82 | 0.00 |
| e) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Directors | 5083688 | 0 | 5083688 | 27.66 | 5247200 | 0 | 5247200 | 28.55 | 0.89 |
| g) Directors Relatives | 3266000 | 0 | 3266000 | 17.77 | 3266000 | 0 | 3266000 | 17.77 | 0.00 |
| Sub Total : A(1) | 8868682 | 0 | 8868682 | 48.25 | 9032194 | 0 | 9032194 | 49.14 | 0.89 |
| (2) Foreign | | | | | | | | | |
| a) NRI - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub Total : A(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoters (A)=(A)(1) + (A)(2) | 8868682 | 0 | 8868682 | 48.25 | 9032194 | 0 | 9032194 | 49.14 | 0.89 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 14000 | 0 | 14000 | 0.08 | 0 | 0 | 0 | 0.00 | -0.08 |
| b) Banks/FI | 40385 | 0 | 40385 | 0.22 | 22380 | 0 | 22380 | 0.12 | -0.10 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Any Other (Specify) | | | | | | | | | |
| i-1) Foreign Portfolio Investors | 6253 | 0 | 6253 | 0.03 | 0 | 0 | 0 | 0.00 | -0.03 |
| i-2) Alternative Investment Fund | 724978 | 0 | 724978 | 3.94 | 779941 | 0 | 779941 | 4.24 | 0.30 |
| Sub Total : B(1) | 785616 | 0 | 785616 | 4.27 | 802321 | 0 | 802321 | 4.37 | 0.09 |

| (2) Non - Institutions | | | | | | | | | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|--------------|
| a) Bodies Corporates | | | | | | | | | |
| ai) Indian | 2385549 | 0 | 2385549 | 12.98 | 2127166 | 0 | 2127166 | 11.57 | -1.41 |
| a ii) Overseas | 1636363 | 0 | 1636363 | 8.90 | 1636363 | 0 | 1636363 | 8.90 | 0.00 |
| b) Individuals | | | | | | | | | |
| bi) Individual Share holders holding nominal share capital upto Rs. 1 Lakh | 3153299 | 53708 | 3207007 | 17.45 | 3095569 | 25208 | 3120777 | 16.98 | -0.47 |
| bii) Individual Share holders holding nominal share capital in excess of Rs. 1 Lakh | 1034051 | 24800 | 1058851 | 5.76 | 1218913 | 11400 | 1230313 | 6.69 | 0.93 |
| c) Any Other (Specify) | | | | | | | | | |
| c-1) Investor Education And Protection Fund | 17850 | 0 | 17850 | 0.10 | 20041 | 0 | 20041 | 0.11 | 0.01 |
| c-2) Non Resident Indians (Individuals) | 296197 | 0 | 296197 | 1.61 | 287294 | 0 | 287294 | 1.56 | -0.05 |
| c-3) Directors | 76848 | 0 | 76848 | 0.42 | 76848 | 0 | 76848 | 0.42 | 0.00 |
| c-4) Trusts | 21048 | 0 | 21048 | 0.11 | 1250 | 0 | 1250 | 0.01 | -0.11 |
| c-5) Clearing Member | 26145 | 0 | 26145 | 0.14 | 45589 | 0 | 45589 | 0.25 | 0.11 |
| Sub Total : B(2) | 8647350 | 78508 | 8725858 | 47.47 | 8509033 | 36608 | 8545641 | 46.49 | -0.98 |

| | | | | | | | | | |
|--|-----------------|--------------|-----------------|---------------|-----------------|--------------|-----------------|---------------|--------------|
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 9432966 | 78508 | 9511474 | 51.75 | 9311354 | 36608 | 9347962 | 50.86 | -0.89 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| a) Promoter & Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub Total : (C)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Shares held by Custodian for GDRs & ADRs (C)=(C)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A + B + C) | 18301648 | 78508 | 18380156 | 100.00 | 18343548 | 36608 | 18380156 | 100.00 | 0.00 |

Shareholding of Promoters

| S. No. | Shareholder's Name | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % Change during the year |
|--------|------------------------------|---|----------------------------------|--|---|----------------------------------|--|--------------------------|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | ANKIT PATIDAR | 1500000 | 8.16 | 0.00 | 1500000 | 8.16 | 0.00 | 0.00 |
| 2 | DINESH PATIDAR | 3521488 | 19.16 | 0.00 | 3685000 | 20.05 | 0.00 | 0.89 |
| 3 | SEEMA PATIDAR | 94000 | 0.51 | 100.00 | 94000 | 0.51 | 0.00 | 0.00 |
| 4 | VINTEX TOOLS PRIVATE LIMITED | 518994 | 2.82 | 0.00 | 518994 | 2.82 | 0.00 | 0.00 |
| 5 | INDIRA PATIDAR | 334000 | 1.82 | 50.90 | 334000 | 1.82 | 0.00 | 0.00 |
| 6 | PALLAVI PATIDAR | 341800 | 1.86 | 53.25 | 341800 | 1.86 | 0.00 | 0.00 |
| 7 | AISHWARYA PATIDAR | 385400 | 2.10 | 72.03 | 385400 | 2.10 | 0.00 | 0.00 |
| 8 | GEETA PATIDAR | 610800 | 3.32 | 72.69 | 610800 | 3.32 | 0.00 | 0.00 |
| 9 | SUNIL PATIDAR | 1562200 | 8.50 | 64.40 | 1562200 | 8.50 | 0.00 | 0.00 |
| | TOTAL | 8868682 | 48.25 | 24.51 | 9032194 | 49.14 | 0.00 | 0.89 |

Change in Promoters' Shareholding (please specify, if there is no change)

| S. No. | | Name of Promoter's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|------------------------------|------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | VINTEX TOOLS PRIVATE LIMITED | 31/03/2019 | 518994 | 2.82 | 518994 | 2.82 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 518994 | 2.82 |
| 2 | At the beginning of the year | SUNIL PATIDAR | 31/03/2019 | 1562200 | 8.50 | 1562200 | 8.50 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 1562200 | 8.50 |

| S. No. | | Name of Promoter's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|--------------------|------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 3 | At the beginning of the year | SEEMA PATIDAR | 31/03/2019 | 94000 | 0.51 | 94000 | 0.51 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 94000 | 0.51 |
| 4 | At the beginning of the year | DINESH PATIDAR | 31/03/2019 | 3521488 | 19.16 | 3521488 | 19.16 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | 21/08/2019 | 10000 | 0.05 | 3531488 | 19.21 |
| | | | 18/11/2019 | 37500 | 0.20 | 3568988 | 19.42 |
| | | | 19/11/2019 | 20000 | 0.11 | 3588988 | 19.53 |
| | | | 10/12/2019 | 15000 | 0.08 | 3613988 | 19.66 |
| | | | 11/12/2019 | 10000 | 0.05 | 3623988 | 19.72 |
| | | | 16/12/2019 | 5500 | 0.03 | 3629488 | 19.75 |
| | | | 04/03/2020 | 10000 | 0.05 | 3639488 | 19.80 |
| | | | 11/03/2020 | 10512 | 0.06 | 3650000 | 19.86 |
| | | | 12/03/2020 | 15000 | 0.08 | 3665000 | 19.94 |
| | | | 18/03/2020 | 20000 | 0.11 | 3685000 | 20.05 |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 3685000 | 20.05 |
| 5 | At the beginning of the year | INDIRA PATIDAR | 31/03/2019 | 334000 | 1.82 | 334000 | 1.82 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 334000 | 1.82 |
| 6 | At the beginning of the year | GEETA PATIDAR | 31/03/2019 | 610800 | 3.32 | 610800 | 3.32 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 610800 | 3.32 |
| 7 | At the beginning of the year | PALLAVI PATIDAR | 31/03/2019 | 341800 | 1.86 | 341800 | 1.86 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 341800 | 1.86 |

| S. No. | | Name of Promoter's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|--------------------|------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 8 | At the beginning of the year | ANKIT PATIDAR | 31/03/2019 | 1500000 | 8.16 | 1500000 | 8.16 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 1500000 | 8.16 |
| 9 | At the beginning of the year | AISHWARYA PATIDAR | 31/03/2019 | 385400 | 2.10 | 385400 | 2.10 |
| | Date wise Increase / Decrease in Promoters Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 385400 | 2.10 |

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | Name of Shareholder's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | | | |
|--------|--|----------------------------------|------------|---|----------------------------------|---|----------------------------------|--------|------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company | | |
| 1 | At the beginning of the year | AFHOLDINGS | 31/03/2019 | 1636363 | 8.90 | 1636363 | 8.90 | | |
| | Date wise Increase / Decrease in Share holding during the year | | | | | | | | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 1636363 | 8.90 | | |
| 2 | At the beginning of the year | M L SECURITIES & FINANCE PVT LTD | 31/03/2019 | 868994 | 4.73 | 868994 | 4.73 | | |
| | Date wise Increase / Decrease in Share holding during the year | | 21/02/2020 | -20000 | 0.11 | | | 848994 | 4.62 |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | | | 848994 | 4.62 |
| 3 | At the beginning of the year | VANTAGE EQUITY FUND | 31/03/2019 | 525000 | 2.86 | 525000 | 2.86 | | |
| | Date wise Increase / Decrease in Share holding during the year | | 13/03/2020 | -49000 | 0.27 | | | 476000 | 2.59 |
| | | | 20/03/2020 | -76000 | 0.41 | | | 400000 | 2.18 |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | | | 400000 | 2.18 |
| 4 | At the beginning of the year | RAJAL SECURITIES PRIVATE LIMITED | 31/03/2019 | 463400 | 2.52 | 463400 | 2.52 | | |
| | Date wise Increase / Decrease in Share holding during the year | | | | NIL | | | NIL | |
| | At the End of the year | | 31/03/2020 | 0 | 0.00 | 463400 | 2.52 | | |

| S. No. | For Each of the Top 10 Shareholders | Name of Shareholder's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|-------------------------------------|------------------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 5 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | SNEHAL BHUPENDRA SHAH | 31/03/2019 | 366000 | 1.99 | 366000 | 1.99 |
| | | | 10/05/2019 | 750 | 0.00 | 366750 | 2.00 |
| | | | 30/08/2019 | 2085 | 0.01 | 368835 | 2.01 |
| | | | 29/11/2019 | 2915 | 0.02 | 371750 | 2.02 |
| | | | 24/01/2020 | 15000 | 0.08 | 386750 | 2.10 |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 386750 |
| 6 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | VINAY SECURITIES PRIVATE LIMITED | 31/03/2019 | 363000 | 1.97 | 363000 | 1.97 |
| | | | | NIL | NIL | | |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 363000 |
| 7 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | IA ALL CAP FUND | 31/03/2019 | 129878 | 0.71 | 129878 | 0.71 |
| | | | 25/10/2019 | -17083 | 0.09 | 112795 | 0.61 |
| | | | 01/11/2019 | -34922 | 0.19 | 77873 | 0.42 |
| | | | 06/12/2019 | -1238 | 0.01 | 76635 | 0.42 |
| | | | 20/12/2019 | -767 | 0.00 | 75868 | 0.41 |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 75868 |
| 8 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | BHUPENDRA SHAH | 31/03/2019 | 101000 | 0.55 | 101000 | 0.55 |
| | | | 10/05/2019 | 4600 | 0.03 | 105600 | 0.57 |
| | | | 31/05/2019 | 5000 | 0.03 | 110600 | 0.60 |
| | | | 07/06/2019 | 1000 | 0.01 | 111600 | 0.61 |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 111600 |
| 9 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | V E C STRATEGIC EQUITY FUND | 31/03/2019 | 0 | 0.00 | 0 | 0.00 |
| | | | 05/04/2019 | 45000 | 0.24 | 45000 | 0.24 |
| | | | 12/04/2019 | 22000 | 0.12 | 67000 | 0.36 |
| | | | 31/05/2019 | 19000 | 0.10 | 86000 | 0.47 |
| | | | 29/11/2019 | 10350 | 0.06 | 96350 | 0.52 |
| | | | 28/02/2020 | 13500 | 0.07 | 109850 | 0.60 |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 109850 |
| 10 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | ABLAZE INFOTECH PRIVATE LIMITED | 31/03/2019 | 105600 | 0.57 | 105600 | 0.57 |
| | | | | NIL | NIL | | |
| | | | At the End of the year | 31/03/2020 | 0 | 0.00 | 105600 |

| S. No. | For Each of the Top 10 Shareholders | Name of Shareholder's | As On Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------|--|--------------------------|------------------------|--|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 11 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | RAMESH CHIMANLAL SHAH | 31/03/2019 | 0 | 0.00 | 0 | 0.00 |
| | | | 16/08/2019 | 14064 | 0.08 | 14064 | 0.08 |
| | | | 23/08/2019 | 35936 | 0.20 | 50000 | 0.27 |
| | | | 30/08/2019 | 6000 | 0.03 | 56000 | 0.30 |
| | | | 13/09/2019 | 15036 | 0.08 | 71036 | 0.39 |
| | | | 19/09/2019 | 464 | 0.00 | 71500 | 0.39 |
| | | | 08/11/2019 | -3846 | 0.02 | 67654 | 0.37 |
| | | | 07/02/2020 | 12346 | 0.07 | 80000 | 0.44 |
| | | | 20/03/2020 | 7000 | 0.04 | 87000 | 0.47 |
| | | | 27/03/2020 | 3000 | 0.02 | 90000 | 0.49 |
| | | | At the End of the year | | | 31/03/2020 | 0 |
| 12 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | RAMESH PATIDAR | 31/03/2019 | 76848 | 0.42 | 76848 | 0.42 |
| | | | | NIL | NIL | | |
| | | | At the End of the year | | | 31/03/2020 | 0 |
| S. No. | | Name of Shareholder's | As On Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | Dinesh Patidar | 01/04/2019 | 3521488 | 19.16 | 3521488 | 19.16 |
| | | | 21/08/2019 | 10000 | 0.05 | 3531488 | 19.21 |
| | | | 18/11/2019 | 37500 | 0.20 | 3568988 | 19.42 |
| | | | 19/11/2019 | 20000 | 0.11 | 3588988 | 19.53 |
| | | | 20/11/2019 | 10000 | 0.05 | 3598988 | 19.58 |
| | | | 10/12/2019 | 15000 | 0.08 | 3613988 | 19.66 |
| | | | 11/12/2019 | 10000 | 0.05 | 3623988 | 19.72 |
| | | | 16/12/2019 | 5500 | 0.03 | 3629488 | 19.75 |
| | | | 04/03/2020 | 10000 | 0.05 | 3639488 | 19.80 |
| | | | 11/03/2020 | 10512 | 0.06 | 3650000 | 19.86 |
| | | | 12/03/2020 | 15000 | 0.08 | 3665000 | 19.94 |
| | | | 18/03/2020 | 20000 | 0.11 | 3685000 | 20.05 |
| | | | 31/03/2020 | 0 | 0.00 | 3685000 | 20.05 |
| | | | 2 | At the beginning of the year Date wise Increase / Decrease in Share holding during the year | Sunil Patidar | 01/04/2019 | 1562200 |
| | NIL | NIL | | | | | |
| At the End of the year | | | | | | 31/03/2020 | 0 |

| S. No. | | Name of Shareholder's | As On Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|-----------------------|------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 3 | At the beginning of the year | Ramesh Patidar | 01/04/2019 | 76848 | 0.42 | 76848 | 0.42 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0 | 76848 |
| 4 | At the beginning of the year | Navin Sunderlal Patwa | 01/04/2019 | 0.00 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 5 | At the beginning of the year | Keyur Thaker | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 6 | At the beginning of the year | Pramod Kumar Bhawsar | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 7 | At the beginning of the year | Nishtha Neema | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 8 | At the beginning of the year | Sridhar Narayan | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 9 | At the beginning of the year | Dinesh Patel | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |
| 10 | At the beginning of the year | Ravi Patidar | 01/04/2019 | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year | | | NIL | NIL | | |
| | At the End of the year | | | 31/03/2020 | 0 | 0.00 | 0 |

IV. INDEBTEDNESS:-

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Lacs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year 2019-20. | | | | |
| i) Principal Amount | 12,666.14 | 3,859.6 | 0.00 | 16,525.74 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 12,666.14 | 3,859.6 | 0.00 | 16,525.74 |
| Change in Indebtedness during the financial year | - | - | - | - |
| Addition | 2,827.25 | 0.00 | 0.00 | 2,827.25 |
| Reduction | 762.97 | 820.15 | - | 1,583.12 |
| Net Change | 14,730.42 | 3,039.45 | 0.00 | 17,769.87 |
| Indebtedness at the end of the financial year 2019-20 | | | | |
| i) Principal Amount | 14,730.42 | 3,039.45 | 0.00 | 17,769.87 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 12,666.14 | 3,039.45 | 0.00 | 17,769.87 |

VI. REMUNERATION OF DIRECTOR AND KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

Rs. In Lacs

| S.No. | Particular of Remuneration | Mr. Dinesh Patidar, Managing Director | Mr. Sunil Patidar Whole-time Director | Mr. Ramesh Patidar Whole time Director | Total |
|-------|---|---------------------------------------|---------------------------------------|--|--------------------|
| 1. | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 3,12,03,185 | 12,00,000 | 32,55,000 | 3,56,58,185 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Options | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | 7,50,000 | 7,50,000 |
| | - as % of profit | - | - | - | - |
| | - others, specify. | - | - | - | - |
| 5. | Others, Education Allowances | - | 87,090 | 1,64,500 | 2,51,590 |
| | Total | 3,12,03,185 | 12,87,090 | 41,69,500 | 3,66,59,775 |
| | Ceiling as per the Act | N.A. | | | |

B. Remuneration to other Directors: -

1. Independent Directors: No remuneration was paid to independent directors

Rs. In Lacs

| S.No. | Particular of Remuneration | Mr. Navin S Patwa | Mr. Pramod Kumar Bhavsar | Mrs. Nishtha Neema | Mr. Keyur Bipinchandra Thaker | Total |
|-------|--|-------------------|--------------------------|--------------------|-------------------------------|-----------------|
| 1. | -Fee for attending Board/ Committee Meetings | 2,50,000 | 2,00,000 | 2,50,000 | 1,50,000 | 8,50,000 |
| 2. | -Commission | Nil | Nil | Nil | Nil | Nil |
| 3. | - Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total B.1 | 2,50,000 | 2,00,000 | 2,50,000 | 1,50,000 | 8,50,000 |
| | Ceiling as per the Act :- NA | | | | | |

2. Other Non-Executive Directors: -No remuneration was paid to other Non-Executive Directors

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Rs. In Lacs

| S.No. | Particular of Remuneration | Mr. Ravi Patidar Company Secretary | Mr. Dinesh Patel CFO | Total |
|-------|---|---------------------------------------|-------------------------|-----------|
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 11,85,000 | 19,97,232 | 31,82,232 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961 | | | |
| 2. | Stock Options | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify. | - | - | - |
| 5. | Others, Education Allowances | - | - | - |
| | Total | 11,85,000 | 19,97,232 | 31,82,232 |
| | Ceiling as per the Act | N.A. | | |
| | Total Managerial Remuneration = (A+B+C) | | | |
| | Overall Ceiling as per the Act | N.A. | | |



VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

Rs. In Lacs

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | AUTHORITY [RD / NCLT / COURT] | Appeal made, if any (give details) |
|------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| B. DIRECTOR | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| C. OTHER OFFICER IN DEFAULT | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

There were no penalties, punishments, compounding of offences for the year ended March 31, 2020.

For and on behalf of the Board of Directors

For Shakti Pumps (India) Limited

Ravi Patidar

Company Secretary

M.No. A32328

**CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134 (3) (M) of The Companies Act, 2013 read with Rule 8(3) of the Companies Accounts) Rules, 2014]

| S.No. | Particulars | |
|---------------------------------|---|---|
| Conservation of Energy:- | | |
| 1 | the steps taken or impact on conservation of energy; | <p>Being an energy efficient product manufacturer we make energy efficient stainless steel pumps motors and power electronic products. We offer energy efficient pumping systems for agriculture and offers energy savings over 40% compared to conventional pumping system.</p> <p>Our all the newly developed product is having utmost care in terms of energy efficiency, every single watt of energy we save at the product end, it helps to create big difference at the power generation end.</p> |
| 2 | the steps taken by the Company for utilizing alternate sources of energy; | <p>The company is constantly adopting solar as alternative source of energy and promoting solar pumps and inverters across globe and company made solar business as key focus area of business. This solar power could transform our agricultural landscape and improve quality of life in rural and urban India ensuring energy security to the poor and marginalizes. This would immensely help climate change mitigation efforts by in line with global. The company is also working towards the solar chulha and home lighting systems to improve the quality of rural personals.</p> |
| 3 | the capital investment on energy conservation equipments | <p>We have invested heavily on R&D and other renewable energy applications and equipments such as solar simulators and state of the art facility for solar pumps and inverter development and testing setups, power quality measurement equipments, load banks, grid simulators etc.</p> |
| Technology absorption:- | | |
| | the efforts made towards technology absorption | <p>We have indigenously developed solar pumping technology and associated products to make solar pumping successful. For solar pumping not only solar panel but other key element like energy efficient motors, pumps, power converter and structure to harness maximum of solar energy. This made us capable to offering end-to-end solar pumping solutions in agriculture, commercial and domestic applications that has potential to impact the energy scenario in India.</p> <p>The extensive R&D in the field of solar pumping helps us to develop above said products and R&D resulted in filing several patents in this area.</p> <p>We are working towards indigenously development of VFD's, Grid-tie Inverters for single phase and three-phase for supporting domestic and export market.</p> <p>We have also collaborated with IIT Delhi, IISc Bangalore and other premium institutes for research and development in motor pumps and power converter technology.</p> |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | <p>Solar water pumping systems developed by us has great potential to bring transformational changes in agriculture, reduction in irrigation cost and effective use of water. Our newly developed solar drives are best substitutes against import of drives from China.</p> |

| S.No. | Particulars | |
|-------|--|---|
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year | Yes |
| | (a) the details of technology imported | Power converters for converting solar energy into useful form |
| | (b) the year of import | 2013-2017 |
| | (c) whether the technology been fully absorbed | Yes |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | - |
| (iv) | The expenditure incurred on Research and Development | Rs. 3.94 Cr. |

BUSINESS RESPONSIBILITY REPORT FOR THE FY 2019-20
In terms of Regulation 34 of the Listing Regulations.

| Section A: General Information about the Company | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Company | L29120MP1995PLC009327 |
| 2. Name of the Company | SHAKTI PUMPS (INDIA) LIMITED |
| 3. Registered address | Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur, Distt. Dhar - MP 454774 |
| 4. Website | www.shaktipumps.com |
| 5. E-mail id | cs@shaktipumpsindia.com |
| 6. Financial Year reported | 2019-20 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise) | Manufacture of other pumps NIC 28132 |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | Energy Efficient Submersible/Surface Pumps & Motors Solar Irrigation Pumps & Motors Solar Pump Controller Variable Frequency Drives (VFDs) |
| 9. Total number of locations where business activity is undertaken by the Company | 22, Branch Offices across the country. |
| I. Number of International Locations (Provide details of major 5) | 5 International Locations namely USA, Australia, Bangladesh, China and UAE |
| II. Number of National Locations | 22 |
| 10. Markets served by the Company – Local/State/National/International/ | The Company serves in both national and international markets. |
| Section B: Financial Details of the Company | |
| 1. Paid up Capital (INR in lacs) | ₹ 1838.02 |
| 2. Total Turnover (INR in lacs) | ₹ 38691.14 |
| 3. Total profit ("Loss") after taxes (INR in lacs) | (₹ 1407.64.) |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.67% (₹ 25.01 Lakhs) of average net profit of the Company for last three financial years calculated as per section 198 of the Companies Act, 2013. |
| 5. List of activities in which expenditure in 4 above has been incurred:- | The CSR amount is spent in following broad areas: I. Capacity building and skill development training II. Promotion of education and sports. III. Preventive health care |

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?**
Yes, the Company has 6 subsidiary companies.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
No, the subsidiary companies do not participate in the BR initiatives of the Company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
The Company is working towards including its supply chain in their BR initiatives. However, none of its suppliers or distributors as now is a part of BR Initiatives.

Section D: BR Information

1. Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

| Name | Designation | DIN |
|---|--------------------------------|----------|
| Mr. Pramod Kumar Bhawsar* | Independent Director | 07825119 |
| Mrs. Nishtha Neema | Independent Director | 01743710 |
| Mr. Navin Sunderlal Patwa | Independent Director | 01009404 |
| *Chairman of the Committee (b) Details of the BR head DIN Number (if applicable) | | 07825119 |
| Name | Pramod Kumar Bhawsar | |
| Designation | Head-BRR | |
| Telephone number | 9425067050 | |
| E-mail id | pramod.bhawsar@shaktipumps.com | |

2.Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance:-

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|---|----|----|----|----|----|----|----|----|
| 1. | Do you have a policy/ policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify? (50 words) | The company's policies are aligned with various standards in order to ensure conformance to national or international benchmarks such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and NVG Guidelines issued by Ministry of Corporate affairs, Government of India. | | | | | | | | |
| 4. | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5. | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | https://www.shaktipumps.com/Policy_on_BRR/Testing_Policy_on_BRR.pdf | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8. | Does the company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?* | N | N | N | N | N | N | N | N | N |

*The Company has initiated Business Responsibility in Financial Year 2019-20 itself. Business Responsibility initiative of the Company is in nascent stage and it will take some time to implement the BR Policy completely. The Company is in process of engaging different stakeholders such as suppliers, customers etc. to be part of Business Responsibility initiative of the Company. The Company will carry out independent audit/ evaluation of working of BR Policies as and when it is deemed necessary.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: -

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----------------|----|----|----|----|----|
| 1. | The company has not understood the Principles | | | | Not Applicable | | | | | |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | Not Applicable | | | | | |
| 3. | The company does not have financial or manpower resources available for the task | | | | Not Applicable | | | | | |
| 4. | It is planned to be done within next 6 months | | | | Not Applicable | | | | | |
| 5. | It is planned to be done within the next 1 year | | | | Not Applicable | | | | | |
| 6. | Any other reason (please specify) | | | | Not Applicable | | | | | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Business Responsibility performance of the Company is assessed annually by the CSR Committee.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report of the Company will be published annually.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No, Ethics, Transparency and Accountability Policy is applicable to the directors and employees of the Company across all its functions, units and branches.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial 2019-20, no complaints were received by the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

The Company is committed to work with its stakeholders to mitigate the environmental and social impacts of its products throughout their life cycle. We manufacture

products responsibly with minimum negative impact on environment, few such products include:-

(a) **Solar Irrigation Pumps/Energy Efficient Pumps and Motors**: Company manufactures clean energy products such as solar pump and motors that reduces GHG emissions as compared to traditional pumps. Company has an aggregate solar installation capacity of about 227 MW in solar pumping system and solar rooftops. Moreover, the conventional pumps and motors manufactured are highly energy efficient resulting in huge monetary savings coupled with reduced impact on environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not Applicable

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our products are solar energy operated and 40% energy efficient contributing to usage of energy. Moreover, our micro irrigation products are aimed at saving water on a substantial scale i.e. up to 80% as compared to the conventional farming techniques.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We work in tandem with our suppliers and most of our procurement of raw materials and services are awarded to vendors who have systems in place to ensure responsible behavior such as adherence to local and national compliances, implementation of management systems including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 etc.

Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and

capability of local and small vendors?

The company has a vast network of suppliers both in India and abroad. However the procurement decisions are always taken considering the development of local economy. Many of our suppliers are local and from other parts of the country thereby leading to ease of delivery of products and services and minimal environmental footprints and costs.

We are committed to development of small vendors in terms of technology and skills and our engineers often educate and enhance skills of resources of vendors by helping them through direct knowledge sharing and arranging trainings in a need based manner.

4. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.**

Not applicable.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees, number of employees hired on temporary/ contractual /casual basis, number of permanent women employees and number of permanent employees with disabilities?**

The total number of permanent employees are 591 on roll employees number of employees hired on temporary/ contractual /casual basis are 593, total number of permanent women employees is 20.

2. **Do you have an employee association that is recognized by management?**

No.

3. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

4. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

No complaints related to child labour, forced labour, involuntary labour and sexual harassment were reported during the year.

5. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

| | |
|--|-----|
| (a) Permanent Employees | 80% |
| (b) Permanent Women Employees | 80% |
| (c) Casual/Temporary/Contractual Employees | 75% |

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes, during the reporting period, the company has mapped its internal and external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the Company has identified disadvantaged, vulnerable and marginalized communities in the vicinity of the manufacturing plants as most vulnerable external stakeholders. The youth, children and women emerged as target groups and hence are being catered through CSR projects.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so?**

The company through its CSR activity established a Charitable Trust named as 'Shakti Foundation' under which various initiative sand programs have been organized to engage with disadvantaged, vulnerable and marginal stakeholders. The Foundation is primarily engaged in establishment and maintenance of Institutions for providing education and health care to the vulnerable and the poor.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ Contractors/NGOs/Others?**

Presently the company does not have any human rights policy. However, we follow the broader guidelines of human rights and company strives to ensure that neither the company nor any of its stakeholders indulge in any form of human rights violations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the reporting period, no complaints were received.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the group/ joint ventures/ suppliers/ contractors/ NGOs/other**

As of now, we do not have any specific policy on environment, but the company is keen to follow the general environmental guidelines as key stakeholder in climate change mitigation campaign of the Government of India.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has taken initiatives to combat climate change which include education of carbon emissions by

setting up own rooftop and ground mounted solar power generation systems. Overall solar power capacity across Shakti group of companies is 418KW. This means solar energy accounts for 12% of the overall energy consumption. More importantly, we are a company that produces energy efficient and solar energy operated pumps and motors which help our customers and stakeholders to scale up the use of solar energy and energy efficient products contributing to the cause of climate change mitigation efforts by government of India.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company believes in taking informed decisions when it comes to environmental risks and opportunities.

Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, we don't have any specific project on Clean Development Mechanism. However, we are constantly trying to increase the share of clean energy to meet in-house energy requirements while we are committed to manufacture products that are energy efficient, eco friendly and solar (clean) energy operated that bring positive change in the environment in the long run.

4. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.

The Company being an energy efficient product manufacturer makes energy efficient stainless steel pumps motors and power electronic products apart from its flagship product namely solar irrigation pumps. Company offers energy efficient pumping systems for agriculture and offers energy savings over 40% compared to conventional pumping system. Our all our new products have utmost care in terms of energy efficiency. And believe every single watt we save at the product end will have big impact on the demand of power generated.

The company is constantly adopting solar as alternative source of energy and promoting solar pumps and inverters across the globe and made solar business a key focus area. It is believed that the solar power could transform our agriculture, rural landscape, employment and quality of life in rural and urban India. Scaling up the use of solar energy and its applications will ensure energy security to the poor and the marginalized. This would immensely help climate change mitigation efforts on a global scale. The company is also working towards the solar chulha (solar stove) and home lighting systems to improve energy access and the quality of life among the rural population.

5. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company during the year was within permissible limits given by CPCB/SPCB(s) and we set a target for ourselves for a zero waste organization.

6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31st March, 2020, there is no legal case pending..

Principle 7: -Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: -

Yes, we are member of many industry body or associations, FICCI, CII, EEPC, FIEO, NSEFI, IEEMA, AEEE etc. are to name a few apart from being the member of various committees with government and industry organizations.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company actively participates in these forums to raise issues related to policy and regulatory matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process in the larger interest of the industry and environment and do not practice lobbying on any specific issue for the benefit of individual interest.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified Programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is committed to engage the organizational resources and knowledge to ensure and enhance livelihoods and living conditions of communities through sustainable development oriented interventions, capacity building, skill developments, sanitation, education, and health care. The Company has developed programs based on the needs of the community and we consider all stakeholder groups are significant for the projects at various stages of its implementation. The following are the areas of intervention;

- (a) Education: Supporting education so that its benefits may be available for the economically weaker sections at large.
- (b) Living condition (Social Development): Preventive Healthcare and Sanitation, Women Empowerment, Environmental initiatives, Sport promotions etc.
- (c) Skill development initiatives in various fields

2. Are the Programmes/projects undertaken through in-house team/own foundation/external NGO/government



structures/any other organization?

To give greater attention to the CSR programs, the Company established a charitable foundation namely 'Shakti Foundation' which is a registered trust under Indian Trust Act. The Foundation implements projects directly by using internal resources and expertise. Although, Shakti Foundation is sole owner of all its community Programmes, to bring external expertise and knowledge to make programme more effective, we collaborate with likeminded organizations at different stages of Programmes.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Total amount spent on CSR activities in FY 2019-20 is Rs. 25 Lacs. The amount was spent on following programmes:

Education/Skill Building : The Company through its Charitable Trust Shakti Foundation established an education institution for providing education to children's so that the benefit thereof may be available to the under privileged at large.

For detail information please refer CSR section and Annexure II of Directors Report In Annual Report.

Drinking Water : Company also helped in providing basic amenities such as drinking water facilities to marginalized groups and village communities at various places.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company believes in need based CSR, the programmes are designed in consultation with the local communities. Therefore there is a sense of ownership that instills pride and accountability leading to a successful adoption of the community development

initiative. Further, during the course of the project implementation, we work towards building the capacity of local community and stakeholders to ensure sustainability of the programme e.g. in skill development Programmes, building the capacity of community and empower them to make projects self-sustainable.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Being customer centric is one of the key elements of our core values. As on 31st March 2020 no complaints are pending for resolution.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

Yes, the company displays product information on the product label as per local laws and wherever applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no such case against the Company related to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during last five years and pending as on end of the financial year 2019-20.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Being a customer centric organization, we are keen to engage with our customers. We believe the consumer plays an important role in our value chain. We engage with them regularly through exclusive centralized customer care centre with toll free numbers and take their feedback directly or through surveys with an objective to improve our service quality and performance aiming to improve consumer satisfaction.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:-

The principles of Corporate Governance are based on transparency accountability and focus on the sustainable success of the Company over the long-term. At Shakti Pumps (India) Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Shakti Pumps, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles ('the Code') is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent

2. BOARD OF DIRECTORS:-

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director has business /functional heads as its members, which look after the management of the day-to-day affairs of the Company.

2.1 Director's Induction and Familiarization:-

The Board Familiarization program comprises of the following:

- Induction program for new Independent Directors.
- Immersion sessions for new Independent Directors.
- Strategy session

All new Independent Directors are taken through detail induction and familiarization program when they join the board of your company. The Induction program is an exhaustive one that covers the history and culture of Shakti background of the Company and its growth over the last several decades, various milestones in the companies' existence since its incorporation, the present structure and an overview of businesses and functions.

As a part of the induction sessions, the Managing Director and the Chief Executive Officer provides an overview of the organization, its history, values, culture and purpose. The Business and Functional Heads take the Independent directors through their respective businesses and functions. The Independent Directors are also inducted through Factory and Market visits to understand the operation of the Company. The Independent Directors are also exposed to the Constitution, board procedures, matters reserved for the Board and major risks facing the Business and mitigation programs. The Independent Directors are also made aware of their roles and responsibility at the time of their appointment and a detailed letter of appointment is issued to them.

2.2 Board Evaluation

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The criteria of performance evaluation of Board, its Committees and Individual Directors forms part of the Corporate Governance Code which is available on the website of the Company. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in Strategy Board Meetings, etc.

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Chairman and Managing Director of the Company along with the Chairman of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well

engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee meetings are enriched by such diversity and complementarities. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

The Board also noted that given the changing external environment the Company should be prepared for any likely disruption. The Board emphasized role of technology in this regard and the need to build capabilities in this area. The evaluation exercise also highlighted the need for having better understanding of competitive landscape in a dynamic business environment and importance of external perspective in Board deliberations. These areas have been identified for the Board to engage itself with and the same will be acted upon.

2.3 Confirmation and Certification:-

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. M. Maheshwari & Associates, Company Secretaries,

2.4 Composition of Board:-

The Board of Directors of the company comprises an optimum combination of Executive and non-Executive Directors, as required under regulation 17(1) (b)SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year ended March 31, 2020, the Board of Directors of the Company consisted of 8 (Eight) Directors out of which 3 (Three) Executive Director including Chairman, 4 (Four) Independent Directors including one woman Director and 1 (one) Nominee Director appointed by AFHoldings. The composition of the Board

2.7 No. of Directorship(s), Membership, and Chairman held by the Directors in the Board Committees of other Companies.

| S. No. | Name of Directors | Category of Directorship | No. of Board Meetings | | Attendance at last AGM | No. of outside Directorship in Public Limited Held | No. of Committee position held in other Public Limited Companies. | |
|--------|-------------------------------|--------------------------|-----------------------|----------|------------------------|--|---|--------------|
| | | | Held | Attended | | | Membership | Chairmanship |
| 1 | Mr. Dinesh Patidar | Executive | 5 | 5 | Yes | 1 | - | - |
| 2 | Mr. Sunil Patidar | Executive | 5 | 5 | Yes | 1 | - | - |
| 3 | Mr. Ramesh Patidar | Executive | 5 | 3 | Yes | - | - | - |
| 4 | Mr. Navin Sunderlal Patwa | Independent | 5 | 5 | Yes | - | - | - |
| 5 | Mrs. Nishtha Neema | Independent | 5 | 5 | Yes | - | - | - |
| 6 | Mr. Pramod Kumar Bhawsar | Independent | 5 | 4 | Yes | - | - | - |
| 7 | Mr. Keyur Bipinchandra Thaker | Independent | 3 | 3 | Yes | - | - | - |
| 8 | Mr. Sridhar Narayan | Nominee | 5 | 1 | No | - | - | - |

Mr. Keyur Bipinchandra Thaker has been Appointed as Additional Independent Director from 11th June 2019.

represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities productively and provide effective leadership to the Company.

2.5 Independent Directors:-

As required under the provisions of Section 149 of the Companies Act, 2013, all independent directors have declared that they meet the criteria of independence.

Pursuant to schedule IV of Companies Act, 2013 every Director has been issued the letter of appointment containing the terms and conditions of his /her appointment.

None of the Independent Directors are serving as independent directors in more than seven listed Companies, nor are serving in more than three Listed Companies as whole time Directors.

2.6 Separate Meeting of Independent Directors:-

- In accordance with the provisions of Schedule IV of the Companies Act 2013, and regulation 25(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a separate meeting of the Independent Director was held on November 14th, 2019. Without the attendance of Non-Independent Directors and Members of the Management.
- The following Independent Directors were present at the Meeting Namely Mr. Navin Sunderlal Patwa, Mrs. Nishtha Neema, Mr. Pramod Kumar Bhawsar and Mr. Keyur Thaker.
- The Meeting reviewed the performance of Non-Independent Directors and the Board as a whole.
- Also the meeting reviewed the performance of the Chairman of the Company.
- Assist the quantity and quality and timeliness of law of information between Company Management and Board.

2.8 Board Meetings: -

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The notice of Board / Committee meeting is given well in advance to all the Directors. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended March 31, 2020, Five Board meetings were held on May 10, 2019, June 11, 2019, August 12, 2019, November 14, 2019, and February 14, 2020. The maximum time gap between two consecutive meetings was not more than one Hundred and twenty days.

The necessary quorum was present for all the meetings.

2.9 Appointments and Remunerations.

The Directors of the Company are appointed/re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Independent Directors and Nominee Director of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board: -

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.

3. BOARD COMMITTEES: -

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

Composition of Board Level Committees.

3.1 Audit Committee: -

Audit committee is constituted according to the provisions of Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177 of the Companies Act, 2013.

The Company's audit committee consists of Three Directors, out of which two are Non-Executive Independent Directors. All the members have adequate knowledge in the areas of finance and accounting.

The Company Secretary of the Company acts as the Secretary to the audit committee.

The committee takes advice and recommendations from all the departmental heads, internal auditor, and statutory auditors whenever required.

Terms of Reference: -

Terms of reference of the committee broadly are as under: -

- 1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Considering and recommending the appointment, re-appointment of the Statutory Auditor and Cost Auditors, fixation of the audit fees and fees for any other services rendered by them and if required, the replacement or removal of the Auditors.
- 3) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the directors' responsibility statements to be included in the board's report in terms of 134(3)(C) of the companies Act 2013.
 - b) Change if any in accounting policies & practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report.
- 4) Reviewing with the management the quarterly financial statements before submission to the board for approval.

- 5) Reviewing with the management the statement of uses /application of Funds raised through an issue (Public, Right, Preferential Issues), The Statements of funds utilized for purposes other than those stated in the offer document Notices/Prospectus/Notice and Report submitted by the Monitoring agency the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in the matter.
- 6) Review and monitor the auditor's independence, performance and effectiveness of Audit Process.
- 7) Approval or any subsequent modification of transactions of the company with related Parties.
- 8) Scrutiny of Inter Corporate Loans and Investments.
- 9) Valuation of Undertakings or Assets of the Company where ever it is necessary.
- 10) Evaluation of Internal Financial Control and Risk Management.
- 11) Reviewing with Management Performance of Statutory and Internal Auditor Adequacy of Internal Control Systems.
- 12) Reviewing the adequacy of Internal Audit Function, if any including the Structure of Internal Audit Department, Staffing and Seniority of the Official Heading of the Department, Reporting Structure Coverage and Frequency of Internal Audit.
- 13) Discussion with Internal Auditors of any Significant Findings and follow-up thereon.
- 14) Reviewing the Findings of any Internal Investigations by the Internal Auditors into matters where there is suspected Fraud or Irregularity or failure of Internal Control Systems of a material Nature and reporting the matter to the Board.
- 15) Discussion with Statutory Auditor before the Audit Commences, about the nature and Scope of Audit as well as post Audit Discussion to ascertain any area of Concern.
- 16) To look into reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (In case of Non Payment of Declare Dividend) and Creditors.
- 17) To Review the functioning of the Whistle Blower Mechanism.
- 18) Approval of Appointment of CFO (i.e. Whole time Finance Director or any other Person heading the Finance Function for discharging that Function) after assessing the qualification experience and background etc of the candidate.
- 19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers and role of the Audit committee is in accordance with the provisions of Section 177 of the companies act 2013 and Regulation 18(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look in to such matters as mandated SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year ended March 31, 2020, 4 (Four) meeting of the Audit Committee were held on May 10, 2019, August 12, 2019, November 14, 2019 and February 14, 2020.

| S. N. | Name | Category | Number of meetings during the year 2019-20 | |
|-------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mrs. Nishtha Neema | Independent Director | 4 | 4 |
| 2 | Mr. Navin Sunderlal Patwa | Independent Director | 4 | 4 |
| 3 | Mr. Dinesh Patidar | Executive Director | 4 | 4 |

3.2 Nomination, and Remuneration Committee: -

The Company has constituted Nomination and Remuneration Committee as per the requirement of Section 178 of the Companies Act, 2013. During the year the Company has reconstituted Nomination and Remuneration Committee. Which Comprises of 3 (Three) members namely, Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhawsar and Mrs. Nishtha Neema all are Independent Directors.

During the financial year ended March 31, 2020, 4 (Four) Meeting was held during the year i.e. May 10, 2019, June 11, 2019, August 12, 2019, and February 14, 2020. the details of meetings held and attendances are as follows: -

| S. N. | Name | Category | Number of meetings during the year 2019-20 | |
|-------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mr. Navin Sunderlal Patwa | Independent Director | 4 | 4 |
| 2 | Mr. Pramod Kumar Bhawsar | Independent Director | 4 | 3 |
| 3 | Mrs. Nishtha Neema | Independent Director | 4 | 4 |

Terms of References: -

Terms of reference of committee broadly are as under:-

- 1) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the Directors, key Managerial Personnel and other employees.
- 2) Formulation or criteria for evaluation of Independent Directors of the Board.
- 3) Devising a Policy on Board diversity; and
- 4) Identifying Persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out

evaluation of every Directors Performance.

Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;

- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mind set.

Skills and its description

| Description | Dinesh Patidar | Sunil Patidar | Ramesh Patidar | Navin S Patwa | Pramod Kumar Bhawsar | Keyur Thakar | Nishtha Neema | Sridhar Narayan |
|--|----------------|---------------|----------------|---------------|----------------------|--------------|---------------|-----------------|
| Leadership experience of running large enterprise – Experience in leading well-governed large Organisations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance. | ✓ | ✓ | | ✓ | | | | ✓ |
| Experience of crafting Business Strategies – Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions. | ✓ | ✓ | ✓ | | | ✓ | | ✓ |
| Understanding of Consumer and Customer Insights in diverse environments and conditions – Experience of having managed organizations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits. | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Finance and Accounting Experience – Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements. | ✓ | | | ✓ | ✓ | ✓ | ✓ | |
| Experience in overseeing large and complex Supply Chain – Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact. | ✓ | ✓ | ✓ | | | | | ✓ |
| Understanding use of Digital / Information Technology across the FMCG value chain – Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation. | ✓ | | | ✓ | | | ✓ | ✓ |
| Experience of large companies and understanding of the changing regulatory landscape- Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework. | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ |

Details of Remuneration paid/ payable to the Directors during the Financial Year 2019-20 are as follows: -

| | | | | Amount in Rs. |
|-------------------------------|-------------|-------------|-------------|---------------|
| Name | Category | Salary | Perquisites | Sitting fees |
| Mr. Dinesh Patidar | Executive | 3,12,03,185 | Nil | Nil |
| Mr. Sunil Patidar | Executive | 12,00,000 | 87,090 | Nil |
| Mr. Ramesh Patidar | Executive | 32,55,000 | 914,500 | Nil |
| Mr. Navin Sunderlal Patwa | Independent | Nil | Nil | 2,50,000 |
| Mr. Sridhar Narayan | Nominee | Nil | Nil | Nil |
| Mrs. Nishtha Neema | Independent | Nil | Nil | 2,50,000 |
| Mr. Pramod Kumar Bhawsar | Independent | Nil | Nil | 2,00,000 |
| Mr. Keyur Bipinchandra Thaker | Independent | Nil | Nil | 1,50,000 |

3.3 Stakeholder Relationship Committee: -

The Company has constituted stakeholder Relationship Committee which shall act in accordance with the prescribed provision of Section 178 of the Companies Act, 2013 and inter alia approves transfer/transmission of share, issue of duplicate/rematerialization of shares and consolidation, Splitting of Certificate Redressal of complaints from investors etc.

The committee Comprises of 4 (Four) members namely Mr. Navin Sunderlal Patwa, Mr. Pramod Kumar Bhawsar, and Mr. Dinesh Patel. During the year Mrs. Nishtha Neema has been appointed as member w.e.f. 14.11.2019.

During the financial year ended March 31, 2020, 4 (Four) Meeting were held during the year i.e. May 10, 2019, August 12, 2019, November 14, 2019, and February 14, 2020, and the details are as follows: -

| S. N. | Name of Member | Category | Number of meetings during the year 2019-20 | |
|-------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mr. Navin Sunderlal Patwa | Independent Director | 4 | 4 |
| 2 | Mr. Pramod Kumar Bhawsar | Independent Director | 4 | 3 |
| 3 | Mr. Dinesh Patel | CFO | 4 | 4 |
| 4 | Mrs. Nishtha Neema | Independent Director | 2* | 2* |

Mrs. Nishtha Neema has been appointed as member w.e.f. 14.11.2019.

Terms of Reference: -

Terms of reference of committee broadly as under: -

- Looks into the Shareholders Complaints like Non-Receipt of Dividend warrants, Non-receipt of Annual reports, Transfer of Shares Issue of Duplicate Share Certificates, Approving Demat Request.

- Oversee the Performance of Share Transfer Agent and recommend measures for overall improvement in the Investor Services.

3.4 Corporate Social Responsibility Committee: -

The Corporate Social Responsibility (CSR) Committee has been constituted by The Board of Directors of the Company as per Provision of section 135 of Companies Act, 2013 read with Corporate Social responsibility (CSR) rules, 2014.

Terms of Reference: -

Terms of reference of committee broadly as under: -

- To formulate and recommend to the Board a Corporate Social responsibility policy which shall indicate the Activities to be undertaken by the Company as specified in the Schedule VI of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) in a financial year.
- To monitor the Corporate Social responsibility policy of the Company from time to time and
- Any other matter/thing as may be considered expedient.

Composition: -

The Committee Comprises of 3 (Three) Members.

The reconstituted Committee is having following members namely

- Mr. Pramod Kumar Bhawsar,
- Mr. Navin Sunderlal Patwa
- Mrs. Nishtha Neema

During the financial year ended March 31, 2020, 1 (One) Meeting was held during the year February 14, 2020, the details are as follows: -

| S. N. | Name | Category | Number of meetings during the year 2019-20 | |
|-------|---------------------------|----------------------|--|----------|
| | | | Held | Attended |
| 1 | Mr. Pramod Kumar Bhawsar | Independent Director | 1 | 1 |
| 2 | Mrs. Nishtha Neema | Independent Director | 1 | 1 |
| 3 | Mr. Navin Sunderlal Patwa | Independent Director | 1 | 1 |

4. GENERAL BODY MEETINGS:-

The details of last three Annual General Meeting and Extra-Ordinary General Meeting are as follows:-

| S. N. | AGM/ EGM | Date of AGM/EGM | Time | Venue |
|---------|----------|--------------------|------------|---|
| 2016-17 | AGM | September 27, 2017 | 12:30 P.M. | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.) 454774. |
| 2017-18 | AGM | September 27, 2018 | 12:30 P.M. | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.) 454774. |
| 2018-19 | AGM | September 27, 2019 | 12:30 P.M. | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.) 454774. |

Special resolutions passed in the last three years General Meetings:-

22nd Annual General Meeting held on September 27, 2017, Four Special Resolutions was passed as Special resolution as mentioned hereunder:-

- Re-appointment of Mr. Ramesh Patidar (DIN: 00931437) as the Whole Time Director of the Company for a period of 5 (Five) consecutive years, commencing from 17th October, 2016 till 16th October, 2021.
- Re-appointment of Mr. Shyam Sunder Raghuvanshi (DIN: 02285727) as an Independent Director of the Company for a period of 3 (Three) consecutive years, commencing from 30th July 2017 to 29th July 2020.
- Re-appointment of Mr. Dinesh Patidar (DIN: -00549552) as the Chairman & Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 1st September, 2015 till 31st August, 2018.
- Approval for Related Party Transactions.

23rd Annual General Meeting held on September 27, 2018, One Special Resolution was passed as Special resolution as mentioned hereunder:-

- Re-appointment of Mr. Dinesh Patidar (DIN:00549552) as the Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 01st September, 2018 till 31st August, 2021.

24th Annual General Meeting held on September 27, 2019, Two Special Resolution was passed as Special resolution as mentioned hereunder:-

- Re-appointment of Mr. Navin Sunderlal Patwa (DIN:01009404) as an Independent Director of the Company for a period of 3 (Three) consecutive years, commencing from 31st July, 2019 to 30th July, 2024.
- Revision of remuneration of Mr. Dinesh Patidar (DIN: 00549552) Chairman & Managing from 01st September 2019 till 31st August, 2021.

5. Postal ballot:-

No resolution requiring postal ballot as recommended under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed for shareholders' approval at the meeting.

6. Subsidiary Companies:-

| S. No. | NAME OF COMPANY | RELATION |
|--------|--------------------------------------|-------------------------|
| 1 | Shakti Pumps USA, LLC | Wholly Owned Subsidiary |
| 2 | Shakti Pumps FZE, UAE | Wholly Owned Subsidiary |
| 3 | Shakti Pumps Pty Ltd., Australia | Wholly Owned Subsidiary |
| 4 | Shakti Pumps (Shanghai) Ltd. China | Wholly Owned Subsidiary |
| 5 | Shakti Pumps (Bangladesh) Limited | Subsidiary |
| 6 | Shakti Energy Solutions Pvt. Limited | Wholly Owned Subsidiary |

7. GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

8. Policy on dealing with Related Party Transactions

The Company has not entered into any material related Party transaction during the year. In line with the requirement of companies act 2013 and Listing regulations, your company has formulated a policy on Related Party Transactions which is also available at the Company's website under the web link- <https://www.shaktipumps.com/corporate-governance.php> The policy intends to ensure that proper reporting, approval and

disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions, which are of repetitive nature and/ or entered during the year were in Ordinary Course of business and on Arm's length basis. No Material Related Party Transactions i.e. transactions exceeding ten percent of annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

9. Disclosures: -

9.1 Disclosure on materially related party transactions: -

All transaction entered into with related Parties as defined under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of Business and at arms length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

9.2 Disclosure on accounting treatments: -

In the Preparation of financial statements, the company has followed the IND AS referred to in section 133 of the Companies Act, 2013. The Significant accounting policies which are consistently applied have been set out in notes to the financial statements.

9.3 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

Your Company has constituted Internal Committees

| | |
|---|---|
| Number of Complaints filed during the FY 2019-20 | 0 |
| Number of Complaints disposed off during the FY 2019-20 | 0 |
| Number of Complaints pending as on 31st March, 2020 | 0 |

9.4 Risk Management: -

The Company has laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board to ensure that the executive management controls the risk in properly defined framework.

9.5 Details of non-compliances by the Company penalties, strictures imposed on the Company by stock exchanges, SEBI, any other statutory authority on any matter related to the capital market: -

- i) The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges as well as regulations and guidelines of SEBI No penalties/strictures were imposed against by SEBI and Stock Exchanges any other statutory authority on any matter related to the capital market during last three years.
- ii) 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 dematerialized shares held with NSDL and CDSL.
- iii) The Company has also undertaken Secretarial Audit for the financial year 2019-20 which, inter alia, includes audit of compliance with Companies Act and Rules made under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report is annexed with this annual report.

9.6 Vigil Mechanism/ Whistle Blower Policy: -

In Compliance with the provision of Section 177 (9) of the Companies Act, 2013 and regulation 4 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

9.7 Policy regarding Material subsidiaries: -

The Company does not have any material unlisted Indian Subsidiary Company.

9.8 Prevention 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 (Prohibition of Insider Trading) Regulations, 2015. The same has been displayed in the Company's website (www.shaktipumps.com).

10. Foreign exchange risk and hedging activities:-

The company has exposure to foreign exchange risk vis-à-vis Total Sales /Purchases of the Company.

The Company has a mechanism in place wherein a dedicated team keeps a close watch on the market behavior and adopts best purchase /sale practices to minimize the effect of price/foreign exchange fluctuation.

The Company has not however undertaken any hedging activities during the year under review.

11. Policy on Dividend Distribution

During the year the Board of Directors had adopted amended Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company under the weblink www.shaktipumps.com.

12. Disclosure of Pending Cases / Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

13. Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2019-20 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

14. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to

the stock exchanges within 60 days of the end of the financial year.

15. Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of Board and Board Committee positions he/she occupies in other Companies, and changes The Company has obtained a certificate from M/s. M. Maheshwari & Associates, Practicing Company Secretary, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

16. Means of Communications:-

- (i) **Quarterly Results:** The quarterly, financial results of the Company are published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region i.e. Hindi daily newspaper and are also displayed on the Company's website www.shaktipumps.com.
- (ii) **News Releases, Presentations, etc.:** Official news releases and Official Media Releases are regularly sent on event basis 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.
- (v) **BSE Corporate Compliance & Listing Centre (the "Listing Center") :** The Listing Center of BSE is a web based application designed by BSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center.
- (vi) **NSE Corporate Compliance & Listing Centre (the "Listing Center"):** The Listing Center of NSE is a web based application designed by NSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center NSE.
- (vii) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system.

17. Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in



compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Shareholders' rights:** The quarterly results along with the press release are uploaded on the website of the Company at <https://www.shaktipumps.com>.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

18. Affirmation And Disclosure

All the Members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect, signed by the Chairman and Managing Director, is attached and forms part of this Report.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

19. Fees paid to Auditors

The total fees for all services paid by your Company and its Subsidiaries to M/s.PGS & Associates, Chartered Accountants, Statutory Auditors during the financial year 2019-20 is ₹ 5.00 Lacs and estimated fees to be paid for the financial year 2020-21 shall be ₹ 5.00 Lacs.

20. Disclosure on Website

Following information has been disseminated on the website of the Company at www.shaktipumps.com:

1. Details of business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;
4. Code of Conduct for Board of Directors and Senior Management Personnel;
5. Details of establishment of vigil mechanism / Whistle Blower policy;
6. Criteria of making payments to Non-Executive Directors;

7. Policy on dealing with Related Party Transactions;
8. Policy for Determining Material Subsidiaries;
9. Details of Familiarization Programmes imparted to Independent Directors;
10. Policy for Determination of Materiality of Events;
11. Policy for Dividend Distribution.

21. Plant Location: -

UNIT III : -Plot No. 401,402 & 413 Sector III, Industrial Area Pithampur Dist.Dhar-454774

SEZ Address : Plot No. F-14 & 15 Phase-1 Sector No. 03 Special Economic Zone Pithampur Dist Dhar M.P.-454774.

22. Credit Rating :

Care Rating has revised its Rating for Bank facilities on the basis of recent developments including operational and financial performance of the company the revised credit Rating for Long-term Bank Facilities from CARE A-: stable [single A Minus; Outlook: Stable) to CARE A-; Negative [single A Minus; Outlook : - Negative and for, short terms Bank Facilities: - reaffirmed i.e. CARE A2+ (A Two plus).

23. General Shareholders Information: -

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

| | | |
|--------------------------|---|--|
| Day | : | Tuesday |
| Date | : | September 29, 2020 |
| Time | : | 12:30 P.M. |
| Venue | : | Annual General Meeting through Video Conferencing /Other Audio Visual Means Facility |
| Deemed Venue for Meeting | : | Plot No. 401,402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.) |

23.2 Financial Calendar 2020-21

Financial Reporting for the Quarter ending June 30 2020:-On or before August 15,2020.

Financial Reporting for the Quarter ending September 30, 2020:-On or before November 15, 2020.

Financial Reporting for the Quarter ending December 31, 2020:-On or before February 15, 2020.

Financial Reporting for the Quarter ending March 31, 2021-On or before May 30, 2021.

23.3 Book Closure Date: -

From Wednesday, September 23, 2020, to Tuesday, September 29, 2020, (both days inclusive) for the purpose of Annual General Meeting.

23.4 Unclaimed Dividend / Shares :-

During the year, dividend amounting to Rs. 1,42,500/- that had not been claimed by the shareholders for the year ended March 31,2013 was transferred to the credit of Investor Education and Protection Fund as required under section 124(5) & (6) of the Companies Act 2013.

The Company will be transferring the unclaimed dividend for the Year ended March 31,2013, in October 2020.

All shareholders who have not so far encashed the dividend for the said period are requested to lodge their claims before 30th September 2020.

20041 shares has been held with IEPF as on 31.03.2020.

23.5 Listing on the Stock Exchanges:-

Company's equity shares are listed on the following stock exchanges. The annual listing fee for the year 2019-20 has been paid to both these stock exchanges.

| Name of Stock Exchanges | Stock Code / Symbol |
|--|---------------------|
| BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400001 | 531431 |
| National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. | SHAKTIPUMP |

23.6 ISIN Code :- INE908D01010.

23.7 Custodial fee :-

The Company has paid the custodial fee to the NSDL and CDSL for the Financial Year 2019-20

23.8 Corporate Identification Number (CIN):-

L29120MP1995PLC009327.

23.9 Stock Market data :

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

a) BSE Limited

| Month | Highest | Lowest | Total No. of Shares traded |
|--------|---------|--------|----------------------------|
| Apr 19 | 462.50 | 403.25 | 2,08,379 |
| May 19 | 479.90 | 396.65 | 1,93,458 |
| Jun 19 | 463.00 | 390.00 | 76,172 |
| Jul 19 | 419.95 | 284.00 | 1,33,723 |
| Aug 19 | 306.70 | 251.25 | 1,08,718 |
| Sep 19 | 327.20 | 265.85 | 87,239 |
| Oct 19 | 295.65 | 254.65 | 78,374 |
| Nov 19 | 266.10 | 203.35 | 1,13,288 |
| Dec 19 | 224.30 | 195.70 | 1,10,500 |
| Jan 20 | 285.80 | 197.10 | 7,87,100 |
| Feb 20 | 307.70 | 204.05 | 8,86,453 |
| Mar 20 | 215.95 | 102.10 | 1,56,979 |

b) National Stock Exchange of India Limited

| Month | Highest | Lowest | Total No. of Shares traded |
|--------|---------|--------|----------------------------|
| Apr 19 | 465.00 | 398.50 | 15,88,383 |
| May 19 | 480.00 | 396.10 | 12,85,479 |
| Jun 19 | 463.50 | 389.00 | 5,31,933 |
| Jul 19 | 420.40 | 284.00 | 10,12,306 |
| Aug 19 | 306.70 | 252.10 | 7,06,874 |
| Sep 19 | 327.55 | 266.00 | 7,65,213 |
| Oct 19 | 294.65 | 255.15 | 7,10,815 |
| Nov 19 | 267.00 | 204.00 | 10,26,037 |
| Dec 19 | 224.90 | 196.10 | 7,95,021 |
| Jan 20 | 286.00 | 197.60 | 75,24,838 |
| Feb 20 | 307.80 | 203.15 | 72,53,255 |
| Mar 20 | 215.50 | 101.00 | 12,80,711 |

23.10 Registrar and Transfer agent:-

ADROIT CORPORATE SERVICES PVT.LTD.

17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol, Andheri (E), Mumbai-400059 (MH.), India
Phone No.:- (022) 28594060, 28596060 Fax No. - (022) 28503748
Email - prafuls@adroitcorporate.com

Share transfer system:-

All valid requests for transfer of equity shares in physical mode received for transfer at the office of the Registrar and Transfer Agents or at the Registered Office of the Company are processed and returned within a period of 15 days from the date of receipt.

23.11 Shareholding as on March 31, 2020:-

A. Distribution of Shareholding as on March 31, 2020.

| Range of equity shares held | No. of Share holders | % | Number of Shares | Face Value per equity shares (in Rs.) | % of Share holding |
|-----------------------------|----------------------|---------------|------------------|---------------------------------------|--------------------|
| Up to-5000 | 18561 | 93.31 | 14,90,894 | 1,49,08,940 | 8.11 |
| 5001-10,000 | 621 | 3.12 | 4,87,040 | 48,70,400 | 2.65 |
| 10,001-20,000 | 395 | 1.99 | 5,64,858 | 56,48,580 | 3.07 |
| 20,001-30,000 | 116 | 0.58 | 2,87,449 | 28,74,490 | 1.56 |
| 30,001-40,000 | 44 | 0.22 | 1,59,316 | 15,93,160 | 0.87 |
| 40,001-50,000 | 30 | 0.15 | 1,37,980 | 13,79,800 | 0.75 |
| 50,001-1,00,000 | 53 | 0.27 | 3,84,652 | 38,46,520 | 2.09 |
| 1,00,000 and Above | 71 | 0.36 | 1,48,67,967 | 14,86,79,670 | 80.89 |
| Total | 19891 | 100.00 | 18380156 | 183801560 | 100.00 |



B. Categories of Shareholding as on March 31, 2020.

| S.N. | Category | Number of Shares holders | % of Shareholders | No. of Shares | % of Shareholding |
|------|--|--------------------------|-------------------|-----------------|-------------------|
| 1 | Resident Individuals | 19161 | 96.33 | 4351090 | 23.67 |
| 2 | Non Resident Indians (Individuals) | 375 | 1.89 | 287294 | 1.56 |
| 3 | Corporate Bodies (Promoters) | 1 | 0.01 | 518994 | 2.82 |
| 4 | Corporate Bodies | 241 | 1.21 | 2126916 | 11.57 |
| 5 | Directors (Promoters) | 3 | 0.02 | 5247200 | 28.55 |
| 6 | Directors | 1 | 0.01 | 76848 | 0.42 |
| 7 | Directors Relatives (Promoters) | 6 | 0.03 | 3266000 | 17.77 |
| 8 | Financial Institutions | 1 | 0.01 | 22380 | 0.12 |
| 9 | Trust | 1 | 0.01 | 1250 | 0.01 |
| 10 | Clearing Member | 91 | 0.46 | 45589 | 0.25 |
| 11 | Corporate Body (Broker) | 1 | 0.01 | 250 | 0.00 |
| 12 | Foreign Corporate Bodies | 1 | 0.01 | 1636363 | 8.90 |
| 13 | Investor Education and Protection Fund | 1 | 0.01 | 20041 | 0.11 |
| 14 | Alternate Investment Fund | 7 | 0.04 | 779941 | 4.24 |
| | Total | 19891 | 100.00 | 18380156 | 100.00 |

C. Dematerialization of Shares March 31, 2020.

| S.N. | Mode of Holding | No. of Shareholders | No. of Shares | % age |
|--------------|-----------------|---------------------|-----------------|---------------|
| 1 | CDSL | 9587 | 4290401 | 23.34 |
| 2 | NSDL | 10281 | 14053147 | 76.46 |
| 3 | Physical | 23 | 36608 | 0.20 |
| Total | 19891 | 100.00 | 18380156 | 100.00 |

99.80% of the Company's Paid-up Equity Share Capital is dematerialized as on 31st March, 2020. Trading in Equity Shares of the Company is permitted only in dematerialized form.

23.12 Address for correspondence: -

The Shareholder may address their communication/suggestions/grievances/queries to: -

The Company Secretary

Shakti Pumps (India) Limited
Plot No. 401, 402, 413, Sector III, Industrial Area
Pithampur Dist. Dhar- M.P.-454774.
Tel:- 7292 410552
Fax:-7292410519
Email :- cs@shaktipumpsindia.com

23.13 Details of Compliance with mandatory requirements and adoption of non-mandatory requirements: -

Compliance with Mandatory requirements and adoption of Non-Mandatory requirement of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015:-

The company has complied with all mandatory requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Statutory auditor's certificate to this effect has been included in this report SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has also adopted the following non mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a) The internal auditors of the company are directly reporting to the audit committee of the Board



ANNEXURE TO CORPORATE GOVERNANCE REPORT CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to Regulation 34(3) of Schedule V Part C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

To

The Members

Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Plot No. 401, 402 & 413 Sector III

Industrial Area Pithampur Dist. Dhar M.P. 454774

We have examined the following documents:-

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of Shakti Pumps (India) Limited ('the Company') bearing CIN: L29120MP1995PLC009327 and having its Registered Office at Plot No. 401, 402 & 413 Sector III Industrial Area Pithampur M.P. 454774, to the Board of Directors of the Company ('the Board') for the financial year 2019-20. We have considered non-disqualification to include non-debarment.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as

listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director | Director Identification Number (DIN) | Date of Appointment in Company |
|---------|-------------------------------|--------------------------------------|--------------------------------|
| 1 | Mr. Dinesh Patidar | 00549552 | 30.01.2006 |
| 2 | Mr. Sunil Manoharlal Patidar | 02561763 | 21.04.1995 |
| 3 | Mr. Ramesh Patidar | 00931437 | 17.10.2006 |
| 4 | Mr. Navin Sunderlal Patwa | 01009404 | 18.01.2012 |
| 5 | Mrs. Nishtha Neema | 01743710 | 28.03.2015 |
| 6 | Mr. Pramod Kumar Bhawsar | 07825119 | 19.05.2017 |
| 7 | Mr. Sridhar Narayan | 00137243 | 26.09.2015 |
| 8. | Mr. Keyur Bipinchandra Thaker | 08474827 | 11.06.2019 |

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2020.

**For M. Maheshwari & Associates
Company Secretaries
Firms U.C.N. I2001MP213000**

**Manish Maheshwari
Proprietor
CS-5174
CP-3860**

**Date: 24.08.2020
Place : Indore
UDIN :- F005174B000607897**



CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE TO THE MEMBERS OF SHAKTI PUMPS (INDIA) LIMITED

[Pursuant to Regulation 34(3) of Schedule V(F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have examined the compliance of conditions of Corporate Governance of M/s SHAKTI PUMPS (INDIA) LIMITED ("the Company"), for the year ended on March 31, 2020 as stipulated in as per the relevant provision of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as referred to in regulation 15 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 and consideration the relaxations granted by the Ministry of Corporate Affairs and securities and exchange Board of India warranted due to the spread of the COVID-19, pandemic we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further 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 M. Maheshwari & Associates
Chartered Accountants**

**Company Secretaries
Firms : U.C.N.I2001MP213000**

**Manish Maheshwari
Proprietor
FCS - 5174
CP-3860**

**Date: Aug 24, 2020
Place: Indore
UDIN No. : F005174B000607941**



CERTIFICATION BY MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the CEO/ CFO Certificate as per the format specified In Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

To,
Shakti Pumps (India) Limited
Plot No. 401, 402, & 413, Sector III, Industrial Area
Pithampur M.P. -454775

Date: 29.06.2020

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SHAKTI PUMPS (INDIA) LIMITED, to the best of our knowledge and belief certifies that:-

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing IND AS, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e) We have indicated, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For Shakti Pumps (India) Limited
Dinesh Patidar
Managing Director
(DIN: -00549552)

For Shakti Pumps (India) Limited
Dinesh Patel
Chief Financial Officer

Declaration Code of Conduct

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its member and senior management personnel of the Company and the same has also been posted on the Company's website. It is further confirmed that All the Director and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2020, as envisaged under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Date: 29.06.2020
Place: Pithampur

Dinesh Patidar
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Shakti Pumps (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Emphasis of Matter Paragraph

We draw your attention to note no. 38 to the standalone financial statements which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lockdown restrictions, management could not perform year-end physical verification of inventories at various locations. Further, our attendance at the physical inventory verification done by the management subsequently was impracticable under the lockdown restrictions imposed by the government. Consequently, we

have performed alternative audit procedures to obtain comfort over the existence and conditions of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence- specific considerations for selected items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|--|
| 1. | Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 29 to the Standalone Financial Statements | Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. |

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial

Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements



regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial

controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 29 of financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

**For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W**

**Place: Mumbai
Date: June 29, 2020**

**Premal Gandhi
Partner
Membership Number: 111592
UDIN : 201000592AAAADH8405**



Annexure- A to the Independent Auditors' Report

The Annexure A referred to in our Report of even date to the Members of Shakti Pumps (India) Limited ("the Company") on the financial statements for the year ended 31 March 2020.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited ('the Company') as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial

reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W**

**Place: Mumbai
Date: June 29, 2020**

**Premal Gandhi
Partner
Membership Number: 111592**



Annexure- B to the Independent Auditors' Report on the Ind AS Financial Statements

The Annexure-B referred to in the Independent Auditors' Report of even date to the Members of Shakti Pumps (India) Limited ('the Company') on the financial statements for the year ended 31 March 2020, we report that:

i. In respect of its Fixed Assets:

- a. The Company has maintained proper records showing full, 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. As per the records and information and explanation given to us, title deeds of immovable properties are in the name of the Company.

ii. 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 was no material discrepancies noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under

section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same

Annexure- B to the Independent Auditors' Report on the Ind AS Financial Statements (continued)

- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, duty of custom, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



(c) According to the records of the Company, the dues of income-tax, Commercial Tax, which have not been deposited on account of any dispute, are as follows.

| Name of Statute | Nature of Dues | Amount Involved (Rs. Lacs) | Unpaid/ Unadjusted (Rs. Lacs) | Period to which the amount relates (FY) | Forum where the Dispute is Pending |
|----------------------|-----------------|----------------------------|-------------------------------|---|---|
| Commercial Tax | VAT & Entry Tax | 70.44 | 70.44 | 2010-11 | M.P. High Court, Indore Bench |
| Commercial Tax | VAT & CST | 6.16 | 2.45 | 2010-11 | M.P. Commercial Tax Appellate Board, Bhopal |
| Commercial Tax | VAT & CST | 12.07 | 3.27 | 2012-13 | M.P. Commercial Tax Appellate Board, Bhopal |
| Commercial Tax | CST & Entry Tax | 11.39 | - | 2013-14 | M.P. Commercial Tax Appellate Board, Bhopal |
| Commercial Tax | CST | 9.99 | 7.49 | 2014-15 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | VAT & CST | 42.29 | 31.59 | 2015-16 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | VAT & CST | 30.17 | 20.80 | 2016-17 | Appellate Authority, Commercial Tax, Indore |
| Commercial Tax | VAT & CST | 5.88 | 5.88 | 2012-13 to 2015-16 | Tribunal |
| Income Tax Act, 1961 | Income Tax | 3,759.64 | 2,982.83 | 2009-10 to 2016-17 | CIT Appeal, Bhopal/Indore |

viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.

ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the

management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W**

**Place: Mumbai
Date: June 29, 2020**

**Premal Gandhi
Partner
Membership Number: 111592**



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
BALANCE SHEET AS AT MARCH 31, 2020

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| I ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 12,475.83 | 12,632.71 |
| (b) Capital Work-In-Progress | 3 | 45.97 | 34.38 |
| (c) Intangible Assets | 4 | 388.73 | 179.36 |
| (d) Intangible Assets Under Development | 4 | 23.53 | 91.03 |
| (e) Financial Assets | 5 | | |
| (i) Investments | 5.1 | 2,011.79 | 1,807.67 |
| (f) Non-Current Tax Assets (Net) | 6 | 1,215.44 | 1,192.94 |
| (g) Other Non-Current Assets | 7 | 480.28 | 761.76 |
| Total Non-Current Assets | | 16,641.57 | 16,699.85 |
| 2 Current Assets | | | |
| (a) Inventories | 8 | 12,869.00 | 11,493.20 |
| (b) Financial Assets | 9 | | |
| (i) Trade Receivables | 9.1 | 11,360.58 | 17,238.36 |
| (ii) Cash And Cash Equivalents | 9.2 | 461.17 | 144.29 |
| (iii) Bank Balance Other than Above | 9.3 | 3,167.56 | 1,337.72 |
| (iv) Other Financial Assets | 9.4 | 615.62 | 642.40 |
| (c) Current Tax Assets (Net) | 10 | 528.88 | 156.70 |
| (d) Other Current Assets | 11 | 4,733.72 | 6,502.27 |
| Total Current Assets | | 33,736.53 | 37,514.94 |
| TOTAL ASSETS | | 50,378.10 | 54,214.79 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 1,838.02 | 1,838.02 |
| (b) Other Equity | 13 | 22,207.37 | 25,410.69 |
| Total Equity | | 24,045.39 | 27,248.72 |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | 14 | | |
| (i) Borrowings | 14.1 | 1,372.38 | 980.21 |
| (ii) Other Financial Liabilities | 14.2 | 47.11 | - |
| (b) Provisions | 15 | 562.35 | 456.39 |
| (c) Deferred Tax Liabilities (Net) | 16 | 135.74 | 1,170.92 |
| Total Non-Current Liabilities | | 2,117.58 | 2,607.52 |



(Rs. in Lacs)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | 17 | | |
| (i) Borrowings | 17.1 | 15,604.64 | 14,843.81 |
| (ii) Trade Payables | 17.2 | | |
| - Dues of Micro and Small Enterprise | | 2,448.94 | 1,339.44 |
| - Dues of Other than Micro and Small Enterprise | | 2,752.76 | 5,197.79 |
| (iii) Other Financial Liabilities | 17.3 | 2,097.66 | 2,368.50 |
| (b) Provisions | 18 | 34.79 | 14.56 |
| (c) Other Current Liabilities | 19 | 1,276.34 | 594.44 |
| Total Current Liabilities | | 24,215.13 | 24,358.55 |
| Total Equity And Liabilities | | 50,378.10 | 54,214.79 |
| Company Overview, Basis of preparation and Significant Accounting Policies | 1 to 2 | | |
| The accompanying notes are an integral part of the Financial Statements | 3 to 39 | | |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

For and on behalf of the Board of Directors of

Shakti Pumps (India) Limited

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Ramesh Patidar

Executive Director

DIN:00931437

Place : Pithampur

Date : June 29, 2020

Dinesh Patel

Chief Financial Officer

Ravi Patidar

Company Secretary

M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

| Particulars | Note No. | 2019-20 | 2018-19 |
|--|----------|-------------------|------------------|
| I Revenue from Operations | 20 | 35,695.22 | 52,114.82 |
| II Other Income | 21 | 378.28 | 252.61 |
| III Total Revenue (I+II) | | 36,073.50 | 52,367.43 |
| IV Expenses | | | |
| Cost of Materials Consumed | 22 | 26,706.70 | 33,622.51 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | 23 | (2,143.90) | (525.49) |
| Employee Benefits Expenses | 24 | 5,045.65 | 5,044.32 |
| Finance Costs | 25 | 1,865.59 | 1,673.79 |
| Depreciation and Amortisation Expenses | 26 | 1,645.68 | 1,487.62 |
| Other Expenses | 27 | 5,881.92 | 6,533.28 |
| Total Expenses (IV) | | 39,001.64 | 47,836.03 |
| V Profit/(Loss) before Exceptional Items and Tax (III-IV) | | (2,928.14) | 4,531.40 |
| VI Exceptional Items | | - | - |
| VII Profit / (Loss) before Tax(V-VI) | | (2,928.14) | 4,531.40 |
| VIII Tax Expenses: | | | |
| (1) Current Tax | | - | 1,216.03 |
| (2) Short/Excess Provision of Tax | | 148.74 | - |
| (3) Deferred Tax | | (1,035.17) | 172.27 |
| IX Profit/(Loss) for the year (VII-VIII) | | (2,041.71) | 3,143.10 |
| X Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains / (loss) on defined benefit plans | | (53.72) | 35.93 |
| (ii) Income tax relating to items that will not be reclassified to profit / (loss) | | - | (12.44) |
| Other Comprehensive Income / (Loss) for the year (X) | | (53.72) | 23.49 |
| XI Total Comprehensive Income / Loss for the year (IX+X) | | (2,095.43) | 3,166.59 |
| XII Earnings per equity share [nominal value of share Rs. 10/-] | 30 | | |
| (1) Basic | | (11.11) | 17.10 |
| (2) Diluted | | (11.11) | 17.10 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : June 29, 2020

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Dinesh Patel
Chief Financial Officer

Ramesh Patidar
Executive Director
DIN:00931437

Ravi Patidar
Company Secretary
M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

| PARTICULAR | For the Year Ended March, 31, 2020 | For the Year Ended March, 31, 2019 |
|---|---------------------------------------|---------------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit & loss before tax as per profit & Loss Account | (2,928.14) | 4,531.40 |
| Adjusted For : | | |
| Depreciation and Amortisation Expense | 1,645.68 | 1,487.62 |
| Interest Income | (106.02) | (80.25) |
| Interest Paid | 1,571.87 | 1,332.49 |
| Re-measurement gains / (loss) on defined benefit | (53.72) | 35.93 |
| Unrealised Exchange (gain)/loss (net) | - | 165.08 |
| (Profit) /Loss on sale of property, plant and equipment (net) | (27.21) | (0.02) |
| | 3,030.60 | 2,940.85 |
| Operating Profit Before Working Capital Changes | 102.46 | 7,472.25 |
| Adjusted For : | | |
| (Increase)/Decrease in Trade and other Receivables | 7,887.83 | (6,304.37) |
| (Increase)/Decrease in Inventories | (1,375.80) | (1,505.06) |
| Increase/(Decrease) in Trade and other Payables | (786.47) | 1,309.52 |
| | 5,725.57 | (6,499.91) |
| Net Cash Flow From Operating Activities | 5,828.03 | 972.34 |
| | | |
| Income taxes (paid)/refund (net) | (543.44) | (1,637.73) |
| | (543.44) | (1,637.73) |
| Net Cash Flow From/(Used In) Operating Activities (A) | 5,284.59 | (665.39) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (1,573.37) | (2,411.21) |
| Purchase of Intangible Assets | (165.18) | (219.11) |
| Movement in Advance for Capital Goods | 85.66 | (98.91) |
| Movement in Capital Work-in-Progress | (11.59) | (32.35) |
| Sale of Fixed Assets | 135.09 | 107.27 |
| Investment in Subsidiaries | (204.12) | (788.75) |
| Interest Received | 87.11 | 96.09 |
| (Deposits)/Redemption with banks | (1,829.84) | (96.69) |
| Net Cash Flow From/(Used In) Investing Activities (B) | (3,476.24) | (3,443.66) |



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

| PARTICULAR | For the Year Ended March, 31, 2020 | For the Year Ended March, 31, 2019 |
|--|---------------------------------------|---------------------------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 2,274.15 | 629.13 |
| Repayment of Long Term Borrowings | (1,790.85) | (707.20) |
| Proceeds from Short Term Borrowings (Net) | 760.83 | 5,716.81 |
| Dividend Paid including tax thereon | (1,107.91) | (819.86) |
| Interest Paid | (1,627.71) | (1,332.49) |
| Net Cash Flow From/(Used In) Financing Activities (C) | (1,491.49) | 3,486.39 |
| Net Change in Cash & Cash Equivalents (A+B+C) | 316.87 | (622.66) |
| Cash & Cash Equivalents at the beginning of the year | 144.29 | 766.95 |
| Cash & Cash Equivalents at the end of the year | 461.17 | 144.29 |

- Note :**
1. Figures in brackets represent Cash Outflow.
 2. Cash and Cash Equivalents comprise of :

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Cash In Hand | 2.37 | 1.15 |
| Balance with Scheduled Banks | 350.30 | 46.53 |
| Fixed Deposit with Maturity Less than three months | 108.51 | 96.61 |
| Total | 461.17 | 144.29 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi
Partner

M.No.111592

Place : Pithampur
Date : June 29, 2020

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Dinesh Patel
Chief Financial Officer

Ramesh Patidar
Executive Director
DIN:00931437

Ravi Patidar
Company Secretary
M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a. EQUITY SHARE CAPITAL

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| Equity Shares of Rs. 10/- each | | |
| Balance at the beginning of the year | 1,838.02 | 1,838.02 |
| Add : Shares issued during the year | - | - |
| Balance at the end of the year | 1,838.02 | 1,838.02 |

b. OTHER EQUITY

(Rs. in Lacs)

| Particulars | Retained Earnings | | Securities | | Total Equity |
|--|--------------------------|-----------------|-----------------|-----------------|------------------|
| | Surplus in P/L Statement | General Reserve | Capital Reserve | Premium Reserve | |
| Balance as at March 31, 2018 | 4,493.07 | 9,752.49 | 20.58 | 8,797.82 | 23,063.95 |
| Dividend paid including tax thereon | (819.86) | - | - | - | (819.86) |
| Profit /(Loss) for the year | 3,143.10 | - | - | - | 3,143.10 |
| Other Comprehensive Income / (Loss) for the year | 23.49 | - | - | - | 23.49 |
| Balance as at March 31, 2019 | 6,839.81 | 9,752.49 | 20.58 | 8,797.82 | 25,410.69 |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | (1,107.91) |
| Profit /(Loss) for the year | (2,041.71) | - | - | - | (2,041.71) |
| Other Comprehensive Income / (Loss) for the year | (53.72) | - | - | - | (53.72) |
| Balance as at March 31, 2020 | 3,636.47 | 9,752.49 | 20.58 | 8,797.82 | 22,207.37 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

Place : Pithampur

Date : June 29, 2020

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Dinesh Patel

Chief Financial Officer

Ramesh Patidar

Executive Director

DIN:00931437

Ravi Patidar

Company Secretary

M. No. ACS 32328



SIGNIFICANT ACCOUNTING POLICIES & NOTES

Notes to the financial statements for the year ended March 31, 2020

1. Corporate Information:

Shakti Pumps India Limited ("SPIL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. SPIL is engaged in manufacturing of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps etc.

2. Basis of preparation of financial statements and significant accounting policies:

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

With effect from 1st April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

2.2 Basis of Measurement

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

The statement of cash flows has been prepared under indirect method.

2.3 Use of judgments, estimates and assumptions

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

2.4 Property, plant and equipment

Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

Notes to the financial statements for the year ended March 31, 2020

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013 except in the cases mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The estimated useful lives are as mentioned below:

| Type of asset | Useful life |
|------------------------|-------------|
| Office Building | 60 Years |
| Factory Building | 30 Years |
| Plant and Machinery | 15Years |
| Equipment | 10 Years |
| Tools /Dies | 8 Years |
| Furniture and Fixtures | 10 Years |
| Vehicles | 10 Years |
| Computer | 6 Years |

2.5 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future

economic benefits embodied in the asset.

Amortisation is not recorded on intangible assets under development until development is complete and the asset is ready for its intended use.

The intangible asset are amortised over the estimated useful lives as given below: -

- Computer Software : 6 years

2.6 Inventories

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Inventories of Finished Goods and Work-In-Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.7 Research and Development Expenditure

Revenue expenditure on research & development is charged to the Statement of Profit and Loss of the year in which it is incurred.

Capital expenditure incurred during the period on research & development is accounted for as an addition to property, plant & equipment.

2.8 Foreign currencies transactions

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.9 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the year

Notes to the financial statements for the year ended March 31, 2020

in which they are incurred.

2.10 Current and Non-Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.11 Investment

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

2.12 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognised in the period in which the employee renders the related service.

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.

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 recognise as employee benefit expense when they are due.

2.13 Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Notes to the financial statements for the year ended March 31, 2020

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.14 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expenses are recognised in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI) or directly in equity.

Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets/liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets (if any) are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets/liabilities are reviewed at each balance sheet date and are recognised/reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

2.15 Provisions

A Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

estimate can be made of the amount of the obligation.

2.16 Financial Instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

- **Financial assets at amortised cost:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
- **Financial assets at fair value through other comprehensive income:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss:** At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.



Notes to the financial statements for the year ended March 31, 2020

Investment in Equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.
- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2.17 Revenue Recognition

The Company derives revenues primarily from business of Sales of pumps and motors.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining

whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted net of returns, allowances, trade discounts and volume discounts and GST etc.

Dividend and interest income is recorded when the right to receive payment is established.

2.18 Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

2.19 Segment Reporting

SPIL is mainly engaged in the business of manufacturing of various types of Pumps & Motors. Operating segments are reporting in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM).

The Board of Directors of the group assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors which are identified as a CODM, consist of CMD, CFO & all other executive Directors.

Considering the nature of business & financial reporting of SPIL, 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

2.20 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to the financial statements for the year ended March 31, 2020

NON - CURRENT ASSETS

3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

| Particulars | Other than Research and Development | | | | | | | | Research and Development | | | | | Right of use Asset-Leases | Total | Capital Work-In Progress |
|---------------------------------|-------------------------------------|------------|-------------------|---------------|------------|----------------------|----------------|-------------------|--------------------------|---------------|------------|----------------------|-------------------|---------------------------|-----------|--------------------------|
| | Free hold Land | Build ings | Plant & Machinery | Die and Tools | Com puters | Furniture & Fixtures | Motor Vehicles | Office Equip ment | Plant and Machinery | Die and Tools | Com puters | Furniture & Fixtures | Office Equip ment | | | |
| Gross Carrying Amount | | | | | | | | | | | | | | | | |
| As at April 1, 2018 | 178.38 | 3,370.64 | 7,195.50 | 7,550.12 | 559.85 | 507.42 | 158.65 | 367.48 | - | - | - | - | - | - | 19,888.04 | 2.02 |
| Additions | - | 239.72 | 615.26 | 903.31 | 91.24 | 96.06 | 80.28 | 117.31 | 49.16 | 185.72 | 2.87 | 0.76 | 29.50 | - | 2,411.19 | 32.35 |
| Sales/ Disposals/ Adjustments | - | - | 62.29 | 62.30 | 5.89 | 2.92 | 0.58 | 6.48 | - | - | - | - | - | - | 140.46 | - |
| As at March 31, 2019 | 178.38 | 3,610.36 | 7,748.47 | 8,391.13 | 645.20 | 600.57 | 238.34 | 478.31 | 49.16 | 185.72 | 2.87 | 0.76 | 29.50 | - | 22,158.77 | 34.38 |
| Additions | - | 40.83 | 294.43 | 898.75 | 26.71 | 25.75 | - | 107.84 | - | 55.33 | 26.27 | 2.69 | 7.00 | 56.34 | 1,541.93 | 11.59 |
| Sales/ Disposals/ Adjustments | - | 0.28 | 156.96 | 0.76 | 2.08 | 1.34 | - | 0.68 | - | - | - | - | 0.02 | - | 162.13 | - |
| As at March 31, 2020 | 178.38 | 3,650.90 | 7,885.94 | 9,289.12 | 669.83 | 624.97 | 238.34 | 585.47 | 49.16 | 241.04 | 29.15 | 3.44 | 36.48 | 56.34 | 23,538.57 | 45.97 |
| Accumulated Depreciation | | | | | | | | | | | | | | | | |
| As at April 1, 2018 | - | 545.06 | 2,710.99 | 3,991.79 | 357.46 | 258.87 | 66.17 | 148.87 | - | - | - | - | - | - | 8,079.20 | - |
| Charge for the Year | - | 90.15 | 461.57 | 743.56 | 68.75 | 47.37 | 20.74 | 37.87 | 0.78 | 7.32 | 0.18 | 0.06 | 1.73 | - | 1,480.07 | - |
| Sales/ Disposals/ Adjustments | - | - | 20.02 | 4.94 | 1.87 | 0.04 | 0.58 | 5.78 | - | - | - | - | - | - | 33.21 | - |
| As at March 31, 2019 | - | 635.21 | 3,152.54 | 4,730.42 | 424.34 | 306.20 | 86.33 | 180.96 | 0.78 | 7.32 | 0.18 | 0.06 | 1.73 | - | 9,526.06 | - |
| Charge for the Year | - | 94.50 | 484.44 | 820.07 | 62.87 | 52.21 | 22.63 | 49.37 | 3.11 | 25.29 | 3.37 | 0.30 | 3.29 | 0.94 | 1,622.39 | - |
| Sales/ Disposals/ Adjustments | - | 0.02 | 74.25 | 0.97 | 4.52 | 2.32 | - | 3.64 | - | - | - | - | 0.00 | - | 85.71 | - |
| As at March 31, 2020 | - | 729.69 | 3,562.72 | 5,549.52 | 482.69 | 356.08 | 108.95 | 226.69 | 3.89 | 32.61 | 3.55 | 0.37 | 5.03 | 0.94 | 11,062.74 | - |
| Net Block Value | | | | | | | | | | | | | | | | |
| As at March 31, 2019 | 178.38 | 2,975.15 | 4,595.93 | 3,660.71 | 220.86 | 294.37 | 152.01 | 297.35 | 48.39 | 178.40 | 2.70 | 0.69 | 27.77 | - | 12,632.72 | 34.38 |
| As at March 31, 2020 | 178.38 | 2,921.21 | 4,323.22 | 3,739.60 | 187.13 | 268.90 | 129.39 | 358.78 | 45.27 | 208.44 | 25.60 | 3.07 | 31.45 | 55.41 | 12,475.83 | 45.97 |

Notes to the financial statements for the year ended March 31, 2020

- A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.
- B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No.14.1 & 17.1
- C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is Rs. 4.67 Lacs as at 31st March, 2020 (Rs. 122.04 Lacs as at 31st March, 2019).
- D. The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.
- E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment. (Refer accounting policies 2.7)
- F. Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases"

and applied the standard to all lease contracts existing on April 1, 2019 prospectively, with the cumulative effect of applying the Standard, recognised on the date of initial application (April 1, 2019). Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as included as part of our Annual Report for year ended March 31, 2019.

Application of the standard has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs 47.11 lacs. In the profit and loss account for the current period, nature of expenses changed from operating cost to depreciation/amortisation for the right-to-use asset and finance cost for on lease liability. Accordingly, during the year ended March 31, 2020, Rs. 2.92 Lakhs has been accounted as Finance Cost and Rs. 0.94 Lakhs as Depreciation against the payment liability of Rs.5.49 Lakhs.

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in Lacs)

| PARTICULAR | Computer Software | Intangible Assets Under Development |
|---------------------------------|-------------------|-------------------------------------|
| Gross Carrying Amount | | |
| As at April 1, 2018 | 61.68 | - |
| Additions | 128.08 | 91.03 |
| Sales/Disposals/Adjustments | - | - |
| As at March 31, 2019 | 189.75 | 91.03 |
| Additions | 164.58 | 0.59 |
| Capitalised during the year | 68.09 | - |
| Sales/Disposals/Adjustments | - | 68.09 |
| As at March 31, 2020 | 422.43 | 23.53 |
| Accumulated Amortisation | | |
| As at April 1, 2018 | 2.86 | - |
| Charge for the Year | 7.54 | - |
| Sales/Disposals/Adjustments | - | - |
| As at March 31, 2019 | 10.40 | - |
| Charge for the Year | 23.30 | - |
| Disposals/Adjustments | - | - |
| As at March 31, 2020 | 33.70 | - |
| Net Block Value | | |
| As at March 31, 2019 | 179.36 | 91.03 |
| As at March 31, 2020 | 388.73 | 23.53 |



Notes to the financial statements for the year ended March 31, 2020

NON - CURRENT ASSETS

5 Financial Assets

5.1 Investments (At Cost) (Unquoted Fully paid-up unless otherwise stated)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Investments in Subsidiaries : | | |
| (i) Equity Instrument of Subsidiaries | 2,011.77 | 1,807.65 |
| Investments in Others : | | |
| (i) Equity Instrument of Others (in Cosmos Bank) | 0.02 | 0.02 |
| Total | 2,011.79 | 1,807.67 |

(a) Equity Instrument of Subsidiaries

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| 19,95,761 Shares of Shakti Energy Solution Pvt Ltd. (Rs. 10 each) (As at March 31, 2019, 17,55,620 shares) | 1,649.89 | 1,445.77 |
| 6 Shares of Shakti Pumps (FZE) (AED 1,50,000 each) (As at March 31, 2019, 6 shares) | 156.56 | 156.56 |
| 65,000 Shares of Shakti Pumps USA LLC (USD 1 each) (As at March 31, 2019, 65,000 shares) | 33.32 | 33.32 |
| 2,40,000 Shares of Shakti Pumps Pty Limited (AUD 1 each) (As at March 31, 2019, 2,40,000 shares) | 117.82 | 117.82 |
| 41,000 Shares of Shakti Pumps (Bangladesh) Limited (Taka 100 each) | 37.27 | 37.27 |
| Investment in Shakti Pumps (Shanghai) Limited | 16.92 | 16.92 |
| Total | 2,011.77 | 1,807.65 |

Note: The Company hold 100% share capital of all the companies.

6 Non-Current Tax Assets (Net)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------|----------------------|
| Net Income Tax Assets | 1,215.44 | 1,192.94 |
| Total | 1,215.44 | 1,192.94 |

Notes to the financial statements for the year ended March 31, 2020

7 Other Non-Current Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (Unsecured, considered good) | | |
| (i) Capital Advances | 21.95 | 107.61 |
| (ii) Balances with Government Authorities | 657.87 | 654.15 |
| Less :Provision for doubtful assets | (199.54) | - |
| Total | 480.28 | 761.76 |

CURRENT ASSETS

8 Inventories

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|----------------------|----------------------|
| (i) Raw Material | 4,559.80 | 5,336.13 |
| (ii) Packing Material & Consumables | 248.50 | 240.27 |
| (iii) Work In Process | 2,640.10 | 2,537.10 |
| (iv) Finished Goods | 5,420.60 | 3,379.70 |
| Total | 12,869.00 | 11,493.20 |

Notes :

- 1 Inventories are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Valued at lower of cost and net realisable value unless otherwise stated (Refer accounting policies 2.6)

9 Financial Assets

9.1 Trade Receivables

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (Unsecured, at amortised cost) | | (Rs. in Lacs) |
| (i) Considered good | 11,360.58 | 17,238.36 |
| (ii) Considered doubtful | 9.00 | 9.00 |
| Less : Provision for expected credit Loss | (9.00) | (9.00) |
| Total | 11,360.58 | 17,238.36 |

Notes :

- 1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}
- 2 Trade receivables are usually non-interest bearing and are on trade credit terms of 30 to 180 days.
- 3 Related party transactions & balance {Refer note no. 36}

Notes to the financial statements for the year ended March 31, 2020

9.2 "Cash and Cash Equivalents

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (i) Cash In Hand | 2.37 | 1.15 |
| (ii) Balance with Scheduled Banks : | | |
| (a) In current Accounts | 350.30 | 46.53 |
| (b) Fixed Deposit with Maturity less than 3 months | 108.51 | 96.61 |
| Total | 461.17 | 144.29 |

9.3 Other Bank Balances

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------|----------------------|----------------------|
| (i) In Fixed Deposit Accounts | 3,147.75 | 1,316.20 |
| (ii) Unclaimed Dividend | 19.81 | 21.52 |
| Total | 3,167.56 | 1,337.72 |

Notes :

- 1 Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.
- 2 The Company can utilise the balance of unclaimed dividend towards settlement of unclaimed dividend.

Current Assets

9.4 Other Financial Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (Unsecured- considered good) | | |
| (i) Security Deposits | 585.50 | 631.19 |
| (ii) Interest Receivable on Fixed Deposits with Bank | 30.12 | 11.21 |
| Total | 615.62 | 642.40 |

10 Current Tax Assets (Net)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|----------------------|----------------------|
| (i) Net Income Tax Assets | 528.88 | 156.70 |
| Total | 528.88 | 156.70 |

11 Other Current Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| (Unsecured- considered good) | | |
| (i) Prepaid Expenses | 264.79 | 322.32 |
| (ii) Advance to Suppliers | 145.36 | 335.55 |
| (iii) Statutory and Other Receivables | 4,323.57 | 5,844.40 |
| Total | 4,733.72 | 6,502.27 |

Notes to the financial statements for the year ended March 31, 2020

12 Share Capital

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised : | | | | |
| Equity Shares of Rs.10/- each | 25,000,000 | 2,500.00 | 25,000,000 | 2,500.00 |
| 15 % Compulsory Convertible Preference Shares of Rs.100/- each | 1,500,000 | 1,500.00 | 1,500,000 | 1,500.00 |
| Total | 26,500,000 | 4,000.00 | 26,500,000 | 4,000.00 |
| Issued & Subscribed : | | | | |
| Equity Shares of Rs.10/- each | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| 15 % Compulsory Convertible Preference Shares of Rs.100/- each | - | - | - | - |
| Total | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| Paid Up Capital : | | | | |
| Equity Shares of Rs.10/- each | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |
| 15 % Compulsory Convertible Preference Shares of Rs.100/- each | - | - | - | - |
| Total | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

12.1 Terms/rights attached to the equity shares :

- The Company has only one class of equity shares having a par value of Rs. 10/- per share.
- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

12.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

(I) Equity Shares :

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised : | | | | |
| Balance as at the beginning of the year | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |
| Add: Additional equity shares issued during the year | - | - | - | - |
| Less: Equity shares forfeited/bought back during the year | - | - | - | - |
| Balance as at the end of the year | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

Notes to the financial statements for the year ended March 31, 2020

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

(Rs. in Lacs)

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-----------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Mr. Dinesh Patidar | 3,685,000 | 20.05% | 3,521,488 | 19.16% |
| Mr. Ankit Patidar | 1,500,000 | 8.16% | 1,500,000 | 8.16% |
| Mr. Sunil Patidar | 1,562,200 | 8.50% | 1,562,200 | 8.50% |
| AF Holdings | 1,636,363 | 8.90% | 1,636,363 | 8.90% |
| M.L. Securities & Finance Pvt.Ltd | 848,994 | 4.62% | 938,994 | 5.11% |

13 Other Equity

(Rs. in Lacs)

| Particulars | Retained Earnings | | Capital Reserve | Securities Premium Reserve | Total |
|---|--------------------------|-----------------|-----------------|----------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | | | |
| Balance as at March 31, 2018 | 4,493.07 | 9,752.49 | 20.58 | 8,797.82 | 23,063.95 |
| Add/(Less): | | | | | |
| Appropriations/Adjustments : | | | | | |
| Dividend paid including tax thereon | (819.86) | - | - | - | (819.86) |
| Profit / (Loss) for the year | 3,143.10 | - | - | - | 3,143.10 |
| Other Comprehensive Income /(Loss) for the year | 23.49 | - | - | - | 23.49 |
| Balance as at March 31, 2019 | 6,839.81 | 9,752.49 | 20.58 | 8,797.82 | 25,410.69 |
| Add/(Less): | | | | | |
| Appropriations/Adjustments : | | | | | |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | (1,107.91) |
| Profit / (Loss) for the year | (2,041.71) | - | - | - | (2,041.71) |
| Other Comprehensive Income /(Loss) for the year | (53.72) | - | - | - | (53.72) |
| Balance as at March 31, 2020 | 3,636.47 | 9,752.49 | 20.58 | 8,797.82 | 22,207.37 |

Non-current liabilities

14 Financial liabilities

14.1 Non Current Borrowings

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Term Loans: | | |
| (i) Term loan from Bank | | |
| Rupee Loan | 948.70 | 1,607.43 |
| Foreign Currency Loan | 1,163.75 | - |
| Other: | | |
| (ii) Vehicle Loan from Bank | 52.78 | 74.50 |
| Less: Current Maturities of Long Term Borrowings | (792.85) | (701.72) |
| Total | 1372.38 | 980.21 |

- (a) Interest rate of the above rupees loan in range between 9.05% to 10.80%
- (b) Interest rate of the above foreign currency loan around 6.00%
- (c) During the year company has converted rupees loan into foreign currency loan. (USD 16.18 Lacs)
- (d) Borrowings from banks are secured by way of :-
- (i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (e) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)
- (f) Vehicle Loans are secured by respective vehicles.
- (g) Maturity Profile of the above loan as below :

Notes to the financial statements for the year ended March 31, 2020
(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------------|----------------------|
| (i) Within One year | 792.85 | 701.72 |
| (ii) Two to Five years | 1,372.38 | 980.21 |
| (iii) More than Five years | - | - |
| Total | 2,165.23 | 1,681.93 |

14.2 Other Financial Liabilities
(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|----------------------|----------------------|
| Lease Liability Payable | 47.11 | - |
| Total | 47.11 | - |

Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015
(a) Movement in Lease Liabilities
(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| Balance at the beginning | - | - |
| Add : Addition during the year | 49.68 | - |
| Interest on lease liability | 2.92 | - |
| Less : Lease rental payments | (5.49) | - |
| Total | 47.11 | - |

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability as at March 31,2020 on an undiscounted basis.

(Rs. in Lacs)

| Ageing | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|----------------------|----------------------|
| (i) Within One year | 1.66 | - |
| (ii) Two to Five years | 6.62 | - |
| (ii) More than Five years | 38.83 | - |
| Total | 47.11 | - |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

15 Provisions
(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 502.52 | 400.01 |
| (ii) Leave Encashment | 59.82 | 56.38 |
| Total | 562.35 | 456.39 |

{Refer provision for employee benefits note no. 34}

Notes to the financial statements for the year ended March 31, 2020

16 Deferred tax liabilities (Net)

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Tax effect of items constituting deferred tax liabilities: | | |
| (i) Property, Plant and Equipment | 135.74 | 1,170.92 |
| Total | 135.74 | 1,170.92 |

CURRENT LIABILITIES

17 Financial Liabilities

17.1 Current Borrowings

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| (i) Secured- At Amortised Cost | | |
| Working Capital Loans- From Banks | | |
| Rupee Loans | 12565.19 | 10,984.21 |
| (ii) Unsecured Loan | | |
| Working Capital Loans- From Banks | | |
| Rupee Loans | 2,039.45 | 3,559.60 |
| Working Capital Loans- From Others | | |
| Rupee Loans | 1,000.00 | 300.00 |
| Total | 15,604.64 | 14,843.81 |

(a) Interest rate of the above rupees loan in range between 4.85% to 9.75%

(b) **Working Capital loans and other credit facility are secured by way of :**

- (i) First parri passu charge on both present and/or future, current assets including inventories & receivables.
- (ii) Second parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (iii) Personal Guarantee of Directors.

17.2 Trade payables

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (i) Dues to Micro, Small and Medium Enterprises | 2,448.94 | 1,339.44 |
| (ii) Dues to other than Micro, Small and Medium Enterprises | 2,752.76 | 5,197.79 |
| Total | 5,201.70 | 6,537.23 |

Related party transactions & balance (Refer note no. 36)

Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : Rs. 2,448.94 Lacs Previous Year : Rs. 1339.44 Lacs . The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than the stipulated period, are given below:

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (i) Principal amount due and remaining unpaid | 2,448.94 | 1,339.44 |
| (ii) Interest paid | - | - |
| (iii) Interest due | - | - |
| (iv) Interest accrued and due | - | - |
| (v) Interest due and remaining unpaid | - | - |

Notes to the financial statements for the year ended March 31, 2020

17.3 Other Financial Liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (i) Current Maturities of Long Term Borrowings | 792.85 | 701.72 |
| (ii) Unclaimed Dividend * | 19.81 | 21.52 |
| (iii) Security Deposits Payable | 99.98 | 90.80 |
| (iv) Creditors for Service & Others | 403.61 | 1,000.79 |
| (v) Other Payables : | | |
| Employee Dues | 359.30 | 360.64 |
| Others | 422.12 | 193.03 |
| Total | 2,097.66 | 2,368.50 |

* Investor Education and Protection Fund will be credited, as and when due.

(a) Current Maturities of Long Term Debt

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------------|----------------------|
| Term Loan | | |
| (i) From Banks- Rupee Loan | 769.03 | 680.00 |
| (ii) Vehicle Loan | 23.82 | 21.72 |
| Total | 792.85 | 701.72 |

18 Provisions

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 21.83 | 11.12 |
| (ii) Leave Encashment | 12.96 | 3.44 |
| Total | 34.79 | 14.56 |

{Refer provision for employee benefits note no.(34)}

19 Other Current Liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| (i) Advance from Customers | 855.92 | 205.67 |
| (ii) Other Payables | 362.42 | 327.89 |
| (iii) Duties and Taxes payable | 58.00 | 60.88 |
| Total | 1,276.34 | 594.44 |

REVENUE FROM OPERATION

20 Sale of Products

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|------------------------------|------------------|------------------|
| (i) Domestic Sales | 23,988.19 | 39,578.92 |
| (ii) Export Sales | 10,420.34 | 10,987.75 |
| (iii) Other Operating Income | 1,286.69 | 1,548.15 |
| TOTAL | 35,695.22 | 52,114.82 |

Notes to the financial statements for the year ended March 31, 2020

(a) Other Operating Income Includes :

| Particulars | (Rs. in Lacs) | |
|-----------------------------|-----------------|-----------------|
| | 2019-20 | 2018-19 |
| (i) Export Benefits | 311.18 | 379.59 |
| (ii) Scrap Sales | 960.63 | 1,150.87 |
| (iii) Income from Services | - | 0.07 |
| (iv) Other Operating Income | 14.89 | 17.62 |
| TOTAL | 1,286.69 | 1,548.15 |

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Product Type and Customer type:

(i) Revenue disaggregation by Product Type: Pumps and Motors.

(ii) Revenue disaggregation by Customer Type is as follows:

| Particulars | (Rs. in Lacs) | |
|-------------------------------------|------------------|------------------|
| | 2019-20 | 2018-19 |
| Customers under Government Projects | 12,195.24 | 22,643.57 |
| Industrial Customers | 1,864.33 | 2,029.53 |
| Export Customers | 10,420.34 | 10,987.75 |
| OEM Customers | 4,606.00 | 9,614.45 |
| Other Customers | 6,609.31 | 6,839.52 |
| TOTAL | 35,695.22 | 52,114.82 |

21 Other Income

| Particulars | (Rs. in Lacs) | |
|---------------------|---------------|---------------|
| | 2019-20 | 2018-19 |
| (i) Interest Income | 106.02 | 80.25 |
| (ii) Rent Received | 11.27 | 12.44 |
| (iii) Others | 261.00 | 159.93 |
| TOTAL | 378.28 | 252.61 |

EXPENSES

22 Cost Of Material Consumed

| Particulars | (Rs. in Lacs) | |
|-------------------------------------|------------------|------------------|
| | 2019-20 | 2018-19 |
| Opening Stock of Raw Material | 5,576.40 | 4,596.83 |
| Add: Purchase of Raw Material | 25,938.59 | 34,602.08 |
| | 31,514.99 | 39,198.91 |
| Less: Closing Stock of Raw Material | 4,808.30 | 5,576.40 |
| TOTAL | 26,706.70 | 33,622.51 |

22.1 Details of consumption of imported and indigenous items :

| Particulars | (Rs. in Lacs) | |
|---------------|------------------|------------------|
| | 2019-20 | 2018-19 |
| (i) Imported | 3,476.80 | 8,239.46 |
| (ii) Domestic | 23,229.90 | 25,383.05 |
| TOTAL | 26,706.70 | 33,622.51 |

Notes to the financial statements for the year ended March 31, 2020

23 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-----------------------------------|-------------------|-----------------|
| Inventories (at Close) | | |
| (i) Finished Goods/Stock-In-Trade | 5,420.60 | 3,379.70 |
| (ii) Work-In-Progress | 2,640.10 | 2,537.10 |
| TOTAL | 8,060.70 | 5,916.80 |
| Inventories (at Opening) | | |
| (i) Finished Goods/Stock-In-Trade | 3,379.70 | 3,168.53 |
| (ii) Work-In-Progress | 2,537.10 | 2,222.79 |
| TOTAL | 5,916.80 | 5,391.31 |
| CHANGE IN INVENTORIES | (2,143.90) | (525.49) |

24 Employee Benefit Expenses

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| (i) Salaries, Wages and Bonus | 4,585.78 | 4,428.03 |
| (ii) Contribution to Provident and Other Funds | 256.39 | 344.60 |
| (iii) Staff Welfare Expenses | 203.48 | 271.69 |
| TOTAL | 5,045.65 | 5,044.32 |

25 Finance Cost

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-----------------------------|-----------------|-----------------|
| (i) Interest to Bank | 1,565.27 | 1,321.10 |
| (ii) Interest to Other | 6.59 | 11.39 |
| (iii) Other Borrowing Costs | 293.73 | 341.30 |
| TOTAL | 1,865.59 | 1,673.79 |

26 Depreciation and Amortisation Expense

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-------------------|-----------------|-----------------|
| (i) Depreciation | 1,621.46 | 1,480.07 |
| (ii) Amortisation | 24.23 | 7.54 |
| TOTAL | 1,645.68 | 1,487.61 |

Notes to the financial statements for the year ended March 31, 2020
27 Other Expenses
(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| (i) Power & Fuel | 230.89 | 227.75 |
| (ii) Job Work Expenses | 116.39 | 300.12 |
| (iii) Clearing & Forwarding Charges | 180.75 | 213.74 |
| (iv) Freight Charges | 645.43 | 705.36 |
| (v) Travelling Expenses | 843.61 | 954.18 |
| (vi) Advertisement Expenses | 221.70 | 449.57 |
| (vii) ECGC Premium | 20.80 | 13.10 |
| (viii) Selling & Distribution Expenses | 1,686.52 | 1,877.12 |
| (ix) Legal, Professional and Consultancy charges | 272.88 | 288.53 |
| (x) Rent | 14.36 | 13.27 |
| (xi) Manufacturing Expenses | 354.71 | 370.28 |
| (xii) Auditors Remuneration | 5.00 | 4.00 |
| (xiii) Corporate Social Responsibility Expenses | 25.01 | 46.32 |
| (xiv) Rates and taxes | 77.61 | 14.11 |
| (xv) Provision for Doubtful Assets | 199.54 | 0.00 |
| (xvi) Repair & Maintenance | 72.91 | 139.80 |
| (xvii) Conveyance Expenses | 250.11 | 263.28 |
| (xviii) Communication Expenses | 106.16 | 87.37 |
| (xix) Directors Remuneration | 359.10 | 293.81 |
| (xx) Office & Administrative Expenses | 125.64 | 105.78 |
| (xxi) Bad Debts Written off | 20.71 | 78.34 |
| (xxiii) Provision for Doubtful Debts | - | 9.00 |
| (xxiii) Donations and Contributions | 2.35 | 9.41 |
| (xxiv) Software Maintenance Expenses | 47.56 | 67.61 |
| (xxv) Miscellaneous Expenses | 2.18 | 1.42 |
| TOTAL | 5,881.92 | 6,533.28 |

27.1 Payment To Auditors :
(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|---------------------------|-------------|-------------|
| (i) For Audit | 5.00 | 4.00 |
| (ii) For Taxation Matters | - | - |
| (iii) For Other Services | - | - |
| TOTAL | 5.00 | 4.00 |

27.2 Corporate Social Responsibility Expenses :
(Rs. in Lacs)

| Nature of expenditure | 2019-20 | 2018-19 |
|---|--------------|--------------|
| (i) Free Medical Treatment thru Shakti Foundation | - | 1.00 |
| (ii) School Fees of poor childs thru Shakti Foundation | 11.00 | 20.50 |
| (iii) Donation to school | 1.00 | 0.00 |
| (iv) Initiative for Moral & Cultural Training Foundation | 0.40 | 2.57 |
| (v) Bal Mahotsav celebration, Laptop distribution | - | 1.64 |
| (vi) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple | 12.61 | 20.61 |
| TOTAL | 25.01 | 46.32 |

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs 44.17 Lacs (31st March, 2019, Rs. 78.22 Lacs).

Notes to the financial statements for the year ended March 31, 2020
28 Research & Development
(Rs. in Lacs)

| Nature of Expenditure | 2019-20 | 2018-19 |
|-----------------------------------|---------------|---------------|
| (i) Capital Expenditure | 91.28 | 268.01 |
| (ii) Revenue Expenditure | 302.38 | 335.33 |
| Total Expenditure Incurred | 393.67 | 603.33 |
| Less: Income Earned by R&D | - | - |
| Net Expenditure Incurred | 393.67 | 603.33 |

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies 2.7)

29 Contingent Liabilities
(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (i) Bank Guarantee Outstanding | 8,612.83 | 6,491.42 |
| (ii) Unexpired Letter of Credit | 1,120.23 | 4,557.39 |
| (iii) Commercial Tax Demand under Dispute* | 188.38 | 182.51 |
| (iv) Income Tax Demand Under Dispute* | 3,759.64 | 3,759.64 |
| (v) Corporate Guarantee Outstanding | 2535.00 | 2,335.00 |
| (vi) Custom Duty Demand Under Dispute | 654.15 | - |
| Less provision for doubtful assets | (199.54) | - |
| Total | 16,870.24 | 17,325.97 |

30 Earnings Per Share
(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|---|-------------------|-----------------|
| Profit / (Loss) for the year as per Statement of Profit and Loss | (2,041.71) | 3,143.10 |
| Weighted Average Number of Shares | 18,380,156 | 18,380,156 |
| Face Value of Share (Rs.) | 10.00 | 10.00 |
| Basic Earning Per Share | (11.11) | 17.10 |
| Diluted Earning Per Share | (11.11) | 17.10 |

31 Earnings in Foreign Exchange
(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|------------------|------------------|
| (i) Export Sales of Pumps, Motors & Spares (FOB Value) | 10,420.34 | 10,987.75 |
| Total | 10,420.34 | 10,987.75 |

32 Expenditure in Foreign Currency on Account of:
(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (i) Exhibition & Promotional Expenses | 13.17 | 54.83 |
| (ii) Travelling Expenses | 238.00 | 286.55 |
| (iii) Advertisement Expenses | - | 3.55 |
| (iv) Commission on Sales | 14.66 | 41.36 |
| (v) Software Development Expenses | 11.61 | - |
| (vi) Legal, Professional and Consultancy charges | 0.27 | - |
| (vii) Testing Charges | 6.01 | - |
| Total | 283.72 | 386.30 |

Notes to the financial statements for the year ended March 31, 2020

33 Value of Imports on CIF Basis in Respect of :

| Particulars | (Rs. in Lacs) | |
|--------------------|-----------------|-----------------|
| | 2019-20 | 2018-19 |
| (i) Raw Material | 3,384.18 | 7,938.08 |
| (ii) Capital Goods | 490.55 | 672.93 |
| Total | 3,874.73 | 8,611.01 |

34 Employee Benefit Obligations

34.1 Defined Contribution Plan :

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per IND-AS 19.

| Particulars | (Rs. in Lacs) | |
|--|---------------|---------------|
| | 2019-20 | 2018-19 |
| Employers Contribution to Provident Fund/ Pension Fund | 147.85 | 132.72 |
| Employers Contribution to ESIC | 7.46 | 12.61 |
| Total | 155.31 | 145.34 |

34.2 Defined Benefit Plan for Gratuity & for Leave Encashment :

- (i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.
- (ii) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:
 - a) Asset Volatility :**
 - (i) The plan liabilities are calculated using a discount rate; if plan assets under perform compared to the discount rate, this will create or increase a deficit.
 - (ii) As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.
 - b) Life Expectancy :**

The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

The amounts recognized in the Balance Sheet are as follows :

| Particulars | (Rs. in Lacs) | | | |
|--|------------------|--------------|---------------|---------------|
| | Leave Encashment | | Gratuity | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Present value of obligation at the end of year | 72.78 | 59.82 | 567.54 | 443.50 |
| Fair value of plan assets at the end of year | - | - | 43.19 | 32.37 |
| Net liability recognized in the Balance Sheet | 72.78 | 59.82 | 524.35 | 411.13 |

The amounts recognized in the Balance Sheet are as follows :

| Particulars | (Rs. in Lacs) | | | |
|---|------------------|--------------|--------------|--------------|
| | Leave Encashment | | Gratuity | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Current Service Cost | 15.04 | 11.76 | 64.12 | 54.94 |
| Interest Cost | 4.69 | 3.90 | 32.36 | 30.89 |
| Past Service Cost | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Recognized Net Actuarial (Gain)/ Loss | 0.64 | 3.15 | - | - |
| Total, included in Employee Benefit Expenses | 20.37 | 18.82 | 96.48 | 85.83 |

Notes to the financial statements for the year ended March 31, 2020

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Defined benefit obligation at beginning of the year | 59.82 | 49.78 | 443.50 | 406.68 |
| Current Service Cost | 15.04 | 11.76 | 64.12 | 54.94 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 4.69 | 3.90 | 34.77 | 31.88 |
| Benefits Paid | (7.41) | (8.77) | (30.01) | (14.30) |
| Actuarial (Gain)/ Loss | 0.64 | 3.15 | 55.16 | (35.70) |
| Defined benefit obligation at the end of the year | 72.78 | 59.82 | 567.54 | 443.50 |

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|---------|----------|---------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| (i) Discount Rate | 6.78% | 7.84% | 6.78% | 7.84% |
| (ii) Salary Escalation Rate | 6.00% | 7.00% | 6.00% | 7.00% |
| (iii) Expected Rate of Return on Plan Assets | None | None | 7.44% | 7.87% |

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--------------------------|------------------|----------|----------|----------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| (i) Retirement Age | 60 years | 60 years | 60 years | 60 years |
| (ii) Employee Turnover : | | | | |
| 18-30 Years | 3.00% | 3.00% | 3.00% | 3.00% |
| 30-45 Years | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 45 Years | 1.00% | 1.00% | 1.00% | 1.00% |

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity :

(Rs. in Lacs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2020 | 100 Basis Points | (76.95) | 94.05 |
| | 2019 | 100 Basis Points | (64.02) | 78.96 |
| (ii) Salary Growth Rate | 2020 | 100 Basis Points | 93.83 | (78.13) |
| | 2019 | 100 Basis Points | 78.83 | (65.02) |

Notes to the financial statements for the year ended March 31, 2020

Leave Encashment :

(Rs. in Lacs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2020 | 100 Basis Points | (10.83) | 13.47 |
| | 2019 | 100 Basis Points | (8.95) | 11.13 |
| (ii) Salary Growth Rate | 2020 | 100 Basis Points | 13.44 | (11.00) |
| | 2019 | 100 Basis Points | 11.11 | (9.09) |

Gratuity :

(Rs. In Lacs)

| Expected Cash Flow for the Next Ten Years | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Year 2020 | - | 11.56 |
| Year 2021 | 22.32 | 21.31 |
| Year 2022 | 14.69 | 15.17 |
| Year 2023 | 42.43 | 23.77 |
| Year 2024 | 31.42 | 33.24 |
| Year 2025 | 26.80 | - |
| Year 2025 - 2029 | - | 283.27 |
| Year 2026 - 2030 | 318.93 | - |

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rate is based on prevailing market yields on government securities as at balance sheet date for the estimated term of the obligations.

35 Income Tax Expenses

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-------------------|
| (i) Profit or Loss Section | | |
| Current Tax Expenses | - | 1,216.03 |
| (Short)/Excess provision for tax relating to prior period | 148.74 | - |
| Deferred Tax | (1,035.17) | 172.27 |
| Total Income Tax Expenses Recognised in Statement of Profit & Loss | (886.43) | 1,388.30 |
| (ii) Other Comprehensive Income (OCI) Section | | |
| Income tax charged to OCI | - | (12.44) |
| (iii) Reconciliation of Effective Tax Rate | | |
| A) (Loss)/Profit before income tax expense | (2,928.14) | 4,531.40 |
| B) Enacted Tax Rate In India | 34.94% | 34.94% |
| C) Expected Tax Expenses | (1,023.21) | 1,583.45 |
| D) Tax Effect of | | |
| - Difference Between Book Depreciation And Tax Depreciation | (79.86) | (78.50) |
| - Deduction on account of Research and Development Expenses | (290.11) | (569.67) |
| - Other Provisions/Deferred tax assets created on losses and others | 3298.11 | (403.32) |
| E) Net Adjustment | 2,928.14 | (1,051.49) |
| F) Tax Expenses/(Saving) on Net Adjustment (E*B) | 1,023.21 | (367.43) |
| G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F) | - | 1,216.02 |
| H) Excess/(Short) Provision for tax relating to prior year | 148.74 | - |
| I) Changes on Account of Deferred Tax | (1,035.17) | 172.27 |
| Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I) | (886.43) | 1,388.29 |



Notes to the financial statements for the year ended March 31, 2020

36 Related Party Disclosure as required by Indian Accounting Standard 24 is as below :

(i) List of Related Parties and Relationships

S.No. Description of Relationship & Name of Related Party :

1 Wholly Owned Foreign Subsidiary Companies :

- (i) Shakti Pumps LLC, USA
- (ii) Shakti Pumps FZE , UAE
- (iii) Shakti Pumps Pty Ltd., Australia
- (iv) Shakti Pumps (Shanghai) Limited, China
- (v) Shakti Pumps (Bangladesh) Ltd., Bangladesh

2 Wholly Owned Domestic Subsidiary Company :

- (i) Shakti Energy Solutions Pvt. Ltd.

3 Enterprise over which Key Management are able to exercise Significant Influence :

- (i) Shakti Irrigation India Ltd.
- (ii) Arsh Industrial Solutions Pvt. Ltd.
- (iii) Shakti Irrigation Pvt. Ltd.
- (iv) Vintex Tools Pvt. Ltd.
- (v) SPIL Energy Ltd.

4 Key Managerial Personnel :

- (i) Mr. Dinesh Patidar
- (ii) Mr. Sunil Patidar
- (iii) Mr. Ramesh Patidar

(ii) Transaction with Related Parties :

(Rs. in Lacs)

| S. No | Name of Party | Nature of Transaction | 2019-20 | 2018-19 |
|-------|-------------------------------------|--|----------|----------|
| 1 | Shakti Pumps LLC, USA | Sale of Pump & Motors | 946.10 | 998.83 |
| 2 | Shakti Pumps FZE, UAE | Sale of Pump & Motors | 4,573.07 | 3,777.54 |
| 3 | Shakti Pumps Pty Ltd., Australia | Sale of Pump & Motors | 7.10 | 10.98 |
| 4 | Shakti Pumps (Shanghai) Ltd, China | Purchase of Raw material | 238.01 | 358.84 |
| 5 | Shakti Pumps Pty Ltd., Australia | Purchase of Pump & Motors | 73.56 | - |
| 6 | Shakti Pumps FZE, UAE | Purchase of Pump & Motors | 226.99 | - |
| 7 | Shakti Irrigation India Ltd. | Purchase of Components | 861.51 | 886.41 |
| | | Purchase of Asset | 0.12 | - |
| | | Sale of Parts & Pipes | 21.20 | 9.66 |
| | | Sales of Pumps & Motors & other material | 3.85 | 0.73 |
| | | Sale of Assets | 11.07 | - |
| 8 | Vintex Tools Pvt. Ltd. | Purchase of Dies & Other material | 958.57 | 775.76 |
| | | Sale of Assets | 449.07 | 0.60 |
| | | Sales of Spare parts | 16.65 | 33.32 |
| 9 | Shakti Energy Solutions Pvt. Ltd. | Purchase of Solar System | 2,005.44 | 559.12 |
| | | Sale of Pump & Motors | 189.63 | 595.22 |
| | | Purchase of Asset | 3.74 | - |
| | | Sales of Asset | 0.89 | 0.50 |
| 10 | Arsh Industrial Solutions Pvt. Ltd. | Purchase of Nuts & Bolts | 546.16 | 305.06 |
| | | Sales of Asset | 74.26 | 5.89 |
| | | Sale of Spare Parts | 448.63 | 39.44 |
| 11 | Shakti Irrigation Pvt. Ltd. | Sales of Pumps, Motors & other material | 0.23 | 5.46 |
| | | Sales of Asset | 1.26 | - |
| | | Income from Rent | 11.27 | 12.26 |
| | | Purchase of Pipes | 852.98 | 498.65 |
| 12 | SPIL Energy Ltd. | Purchase of Pumps, Motors & other material | 11.60 | - |
| 13 | Mr. Dinesh Patidar | Remuneration | 312.03 | 232.50 |
| 14 | Mr. Sunil Patidar | Remuneration | 12.00 | 12.00 |
| | | Other Allowances | 0.87 | 11.72 |
| 15 | Mr. Ramesh Patidar | Remuneration | 32.55 | 35.00 |
| | | Sales Incentive | 7.50 | - |
| | | Other Allowances | 1.65 | 2.59 |



Notes to the financial statements for the year ended March 31, 2020

(iii) Related Party Balance :

(Rs. in Lacs)

| S. No | Nature | Name of Party | As at | As at |
|-------|------------------------|--|----------------|----------------|
| | | | March 31, 2020 | March 31, 2019 |
| 1 | Investments | Shakti Pumps LLC, USA | 33.32 | 33.32 |
| | | Shakti Pumps FZE, UAE | 156.56 | 156.56 |
| | | Shakti Pumps Pty Ltd., Australia | 117.82 | 117.82 |
| | | Shakti Pumps (Shanghai) Ltd., China | 16.92 | 16.92 |
| | | Shakti Pumps (Bangladesh) Ltd., Bangladesh | 37.27 | 37.27 |
| | | Shakti Energy Solutions Pvt. Ltd. | 1,649.89 | 1,445.77 |
| 2 | Trade Receivables | Shakti Pumps LLC, USA | - | 145.77 |
| | | Shakti Pumps FZE, UAE | - | 604.28 |
| | | Shakti Irrigation India Ltd. | 42.20 | 0.87 |
| | | Shakti Energy Solutions Pvt. Ltd. | - | 506.59 |
| | | Vintex Tools Pvt. Ltd. | 14.11 | - |
| | | Arsh Industrial Solutions Pvt. Ltd. | 270.33 | - |
| 3 | Trade Payables | Vintex Tools Pvt. Ltd. | 263.93 | 282.41 |
| | | Shakti Irrigation India Ltd. | 184.49 | 112.07 |
| | | Shakti Irrigation Pvt. Ltd. | 68.75 | 3.83 |
| | | Shakti Energy Solutions Pvt. Ltd. | 191.96 | 360.12 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 166.00 | 6.63 |
| | | Shakti Pumps Pty Ltd., Australia | 70.85 | - |
| | | Shakti Pumps FZE, UAE | 197.15 | 2.83 |
| 4 | Advance from Customers | Shakti Pumps Pty Ltd., Australia | 12.11 | 3.67 |
| | | Shakti Pumps LLC, USA | 524.31 | - |
| | | Shakti Pumps FZE, UAE | 149.28 | - |
| 5 | Advance to Vendor | Shakti Irrigation India Ltd. | - | 98.92 |
| | | Shakti Pumps (Shanghai) Ltd, China | 8.30 | 57.72 |

37 Financial Instruments

A. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company

(Rs. in Lacs)

| Financial Instruments by category | Carrying Value | | | Fair Value | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | |
| Financial Assets at Amortised Cost | | | | | |
| Cash and Bank Balances | 3,628.73 | 1,482.01 | 3,628.73 | 1,482.01 | |
| Other Financial Assets | 615.62 | 642.40 | 615.62 | 642.40 | |
| Trade Receivables | 11,360.58 | 17,238.36 | 11,360.58 | 17,238.36 | |
| Total | 15,604.92 | 19,362.77 | 15,604.92 | 19,362.77 | |
| Financial Liabilities at Amortised Cost | | | | | |
| Trade Payables | 5,201.70 | 6,537.23 | 5,201.70 | 6,537.23 | |
| Borrowings | 17,769.87 | 16,525.74 | 17,769.87 | 16,525.74 | |
| Other Financial Liabilities | 1,351.92 | 1,666.78 | 1,351.92 | 1,666.78 | |
| Total | 24,323.50 | 24,729.75 | 24,323.50 | 24,729.75 | |



Notes to the financial statements for the year ended March 31, 2020

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 : Inputs based on unobservable market data.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(Rs. in Lacs)

| Particulars | As at 31st March, 2020 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,628.73 | - | - | 3,628.73 |
| Other Financial Assets | 615.62 | - | - | 615.62 |
| Trade Receivables | 11,360.58 | - | - | 11,360.58 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 5,201.70 | - | - | 5,201.70 |
| Borrowings | 17,769.87 | - | - | 17,769.87 |
| Other Financial Liabilities | 1351.92 | - | - | 1351.92 |

(Rs. in Lacs)

| Particulars | As at 31st March, 2019 | | | |
|--|------------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 1,482.01 | - | - | 1,482.01 |
| Other Financial Assets | 642.40 | - | - | 642.40 |
| Trade Receivables | 17,238.36 | - | - | 17,238.36 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 6,537.23 | - | - | 6,537.23 |
| Borrowings | 16,525.74 | - | - | 16,525.74 |
| Other Financial Liabilities | 1,666.78 | - | - | 1,666.78 |

Notes to the financial statements for the year ended March 31, 2020

B. Financial Risk Management

Shakti Pumps (India) Limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Company.

1. Capital Management :

The company's capital management objectives are:

- (i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.
- (ii) The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.

(iv) Debt-to-equity ratio is as follows:

| Particulars | (Rs. in Lacs) | |
|--------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Debt (A) | 17,769.87 | 16,525.74 |
| Equity (B) | 24,045.39 | 27,248.72 |
| Debt Equity Ratio (A/B) | 0.74 | 0.61 |

2. Credit Risk :

- (i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.
- (ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

3. Liquidity Risk :

Liquidity Risk Management : Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings :

| Exposure to Risk | (Rs. in Lacs) | |
|-------------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Interest bearing borrowings: | | |
| On Demand | 12,565.19 | 10,984.21 |
| Less than 180 Days | 3435.87 | 4,210.46 |
| 181-365 Days | 396.42 | 350.86 |
| More than 365 Days | 1,372.38 | 980.21 |

4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Notes to the financial statements for the year ended March 31, 2020

a) Foreign Currency Exchange Rate Risk :

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures :

| Particulars | Foreign Currency | As at March 31, 2020 | | As at March 31, 2019 | |
|--|------------------|----------------------|-----------------|----------------------|-----------------|
| | | Foreign Curr. Amount | Amount in Rs. | Foreign Curr. | Amount in Rs. |
| I. Trade receivables/Advance From Customer | AUD | - | - | (0.07) | (3.67) |
| | EUR | 0.73 | 58.15 | 0.18 | 13.81 |
| | USD | 24.56 | 1,818.46 | 46.22 | 3,158.55 |
| | Total | | 1,876.61 | | 3,168.68 |
| II. Borrowing balances : | USD | 16.18 | 1163.75 | - | - |
| | Total | | 1163.75 | | |
| III. Trade payables : | EUR | 3.03 | 242.73 | 1.40 | 102.22 |
| | AUD | 1.57 | 70.85 | - | - |
| | USD | 7.10 | 525.56 | 13.48 | 917.76 |
| | JPY | - | - | 7.80 | 4.74 |
| | Total | | 839.15 | | 1,024.72 |

Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

| Particulars | Currency | Change in rate | (Rs. in Lacs) |
|---------------------------------------|----------|----------------|-----------------------------|
| | | | Effect on profit before tax |
| March 31, 2020 | | | |
| Based on YOY change between F19 & F20 | USD | +10% | 129.29 |
| | USD | -10% | (129.29) |
| | AUD | +10% | (7.09) |
| | AUD | -10% | 7.09 |
| | EUR | +10% | (18.46) |
| | EUR | -10% | 18.46 |
| March 31, 2019 | | | |
| Based on YOY change between F18 & F19 | USD | +10% | 224.08 |
| | USD | -10% | (224.08) |
| | AUD | +10% | (0.37) |
| | AUD | -10% | 0.37 |
| | EUR | +10% | (8.84) |
| | EUR | -10% | 8.84 |
| | JPY | +10% | (0.47) |
| | JPY | -10% | 0.47 |



Notes to the financial statements for the year ended March 31, 2020

b) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(Rs. in Lacs)

| Floating Interest rate exposure : | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Secured : | | |
| Loans repayable taken from Banks: | | |
| Rupee Loans | 12,565.19 | 10,984.21 |
| Unsecured : | | |
| Loans repayable taken from Banks & NBFC's: | | |
| Rupee Loans | 3,039.45 | 3,859.60 |
| Total | 15,604.64 | 14,843.81 |

Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

| Particulars | Increase / Decrease in Basis Points | Effect on Profit Before Tax(Loss) |
|-----------------------------|--|-----------------------------------|
| As at March 31, 2020 | +100 | (156.05) |
| | -100 | 156.05 |
| As at March 31, 2019 | +100 | (148.44) |
| | -100 | 148.44 |

38 The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. As the situation is constantly evolving, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended March 31, 2020. Management is of the view that there is significant uncertainty in the business environment which has resulted in delays in confirmations of customer orders and in executing the orders in hand and an increase in lead times in sourcing components. Based on current assessment, management is of the view that this situation is likely to continue for the next two quarters. As part of its review of the year-end balance sheet, the Company has made an assessment of recover ability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no further adjustments are required to be made to the carrying values of such assets as at March 31, 2020. In the case of Inventory, Management has performed the year-end 'wall to wall' inventory verification at each of its locations and again at a date subsequent to the year end in the presence of its internal auditor to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc. In view of the above, the Company has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.



Information about Operating Segments:

(Rs. in Lacs)

| Floating Interest rate exposure : | 2019-20 | 2018-19 |
|--|------------------|------------------|
| 3. Capital Employed (Segment Assets) | | |
| India | 50,544.57 | 55,134.22 |
| Overseas | 3,517.09 | 3,205.54 |
| Total Segment Assets (Segment Liabilities) | 54,061.65 | 58,339.76 |
| India | 27,020.27 | 28,216.56 |
| Overseas | 526.38 | 1,083.90 |
| Total Segment Liabilities | 27,546.64 | 29,300.46 |
| Net Capital Employed (Segment Assets-Segment Liabilities) | | |
| India | 23,524.30 | 26,917.66 |
| Overseas | 2,990.71 | 2,121.64 |
| Total Capital Employed | 26,515.01 | 29,039.30 |

39 Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

Place : Pithampur

Date : June 29, 2020

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Dinesh Patel

Chief Financial Officer

Ramesh Patidar

Executive Director

DIN:00931437

Ravi Patidar

Company Secretary

M. No. ACS 32328

INDEPENDENT AUDITORS' REPORT

To the Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Shakti Pumps (India) Limited ('the Parent') and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit , their consolidated comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter Paragraph

We draw your attention to note 42 to the consolidated financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management of the Holding Company & of a

subsidiary located in India could not perform year-end physical verification of inventories at various locations. Further, our attendance as well as of the auditors of the subsidiary located in India at the physical inventory verification done by the respective management was impracticable under the lock-down restrictions imposed by the government. Consequently, we and auditors of the subsidiary located in India have performed alternative audit procedures to obtain comfort over the existence and conditions of inventory at the year-end as per the guidance provided by SA 501 " Audit Evidence- specific considerations for selected items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|--|
| 1. | Evaluation of uncertain tax positions The Group has material uncertain tax positions under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 30 to the Consolidated Financial Statements | Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. |

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business

Responsibility Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of those consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statement of 6 subsidiaries included in the audited consolidated financial results, whose financial results reflect total assets of Rs. 6911.01 lacs as on 31 March 2020, total revenues of Rs. 2,427.61 lacs and 10,834.30 lacs, total net (loss)/profit after tax of Rs. 117.81 lacs and 679.35 lacs and total comprehensive income/(loss) of Rs. 140.04 lacs and 710.26 lacs for the quarter ended March 31, 2020 and period from 01 April 2019 to March 31, 2020 respectively as considered in the Statement. These financial results have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

Our conclusion on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors of the Parent as on 31 March 2020 taken on record by the Board of Directors including one Company incorporated in India included in the Consolidated financial statement, none of the directors of parent is disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the parent.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;



- l) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statement has disclosed the impact of pending litigations on its consolidated financial position of the Group- Refer Note 29;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required

to be transferred, to the Investor Education and Protection Fund by the only Company to which such requirements apply;

**For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W**

**Place: Mumbai
Date: June 29, 2020**

**Premal Gandhi
Partner
Membership Number: 111592
UDIN : 20111592AAAADI8987**



Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Shakti Pumps (India) Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W**

**Place: Mumbai
Date: June 29, 2020**

**Premal Gandhi
Partner
Membership Number: 111592**



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| I ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 14,930.50 | 13,825.75 |
| (b) Capital Work-In-Progress | 3 | 45.97 | 1,124.19 |
| (c) Intangible Assets | 4 | 388.73 | 179.36 |
| (d) Intangible Assets Under Development | 4 | 23.53 | 91.03 |
| (e) Financial Assets | 5 | | |
| (i) Investments | 5.1 | 0.02 | 0.02 |
| (f) Non-Current Tax Assets (Net) | 6 | 1,219.37 | 1,194.62 |
| (g) Other Non-Current Assets | 7 | 480.88 | 768.47 |
| Total Non-Current Assets | | 17,089.00 | 17,183.44 |
| 2 Current Assets | | | |
| (a) Inventories | 8 | 14,455.17 | 13,556.75 |
| (b) Financial Assets | 9 | | |
| (i) Trade Receivables | 9.1 | 12,526.32 | 18,053.72 |
| (ii) Cash And Cash Equivalents | 9.2 | 660.35 | 531.44 |
| (iii) Bank Balance Other than Above | 9.3 | 3,191.28 | 1,368.66 |
| (iv) Other Financial Assets | 9.4 | 618.86 | 659.42 |
| (c) Current Tax Assets (Net) | 10 | 460.32 | 57.28 |
| (d) Other Current Assets | 11 | 5,060.34 | 6,929.05 |
| Total Current Assets | | 36,972.65 | 41,156.32 |
| Total Assets | | 54,061.65 | 58,339.76 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 1,838.02 | 1,838.02 |
| (b) Other Equity | 13 | 24,677.00 | 27,201.28 |
| Total Equity | | 26,515.01 | 29,039.30 |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | 14 | | |
| (i) Borrowings | 14.1 | 2,611.30 | 2,134.82 |
| (ii) Other Financial Liabilities | 14.2 | 47.11 | - |
| (b) Provisions | 15 | 563.38 | 456.39 |
| (c) Deferred Tax Liabilities (Net) | 16 | 85.58 | 1,176.42 |
| Total Non-Current Liabilities | | 3,307.36 | 3,767.63 |



| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------|-------------------------|-------------------------|
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | 17 | | |
| (i) Borrowings | 17.1 | 15,838.97 | 14,843.81 |
| (ii) Trade Payables | 17.2 | | |
| - Dues of Micro and Small Enterprise | | 2,546.94 | 1,339.44 |
| - Dues of Other than Micro and Small Enterprise | | 2,595.70 | 5,874.53 |
| (iii) Other Financial Liabilities | 17.3 | 2,230.73 | 2,597.48 |
| (b) Provisions | 18 | 34.79 | 14.56 |
| (c) Other Current Liabilities | 19 | 992.15 | 863.01 |
| Total Current Liabilities | | 24,239.28 | 25,532.83 |
| Total Equity And Liabilities | | 54,061.65 | 58,339.76 |
| The Group Overview, Basis of preparation and Significant Accounting Policies | 1 to 2 | | |
| The accompanying notes are an integral part of the Financial Statements | 3 to 42 | | |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Ramesh Patidar

Executive Director

DIN:00931437

Place : Pithampur

Date : June 29, 2020

Dinesh Patel

Chief Financial Officer

Ravi Patidar

Company Secretary

M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

| Particulars | Note No. | 2019-20 | 2018-19 |
|---|----------|-------------------|------------------|
| I Revenue from Operations | 20 | 38,282.26 | 54,369.08 |
| II Other Income | 21 | 408.88 | 370.22 |
| III Total Revenue (I+II) | | 38,691.14 | 54,739.30 |
| IV Expenses | | | |
| Cost of Materials Consumed | 22 | 26,596.79 | 33,226.79 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | 23 | (1,703.83) | (395.38) |
| Employee Benefits Expenses | 24 | 5,382.91 | 5,293.27 |
| Finance Costs | 25 | 2,079.23 | 1,780.66 |
| Depreciation and Amortisation Expense | 26 | 1,719.69 | 1,504.38 |
| Other Expenses | 27 | 6,781.43 | 7,317.83 |
| Total Expenses (IV) | | 40,856.22 | 48,727.55 |
| V Profit/(loss) before Exceptional Items and Tax (III-IV) | | (2,165.07) | 6,011.75 |
| VI Exceptional Items | | - | - |
| VII Profit/ (loss) before Tax(V-VI) | | (2,165.07) | 6,011.75 |
| VIII Tax Expense: | | | |
| (1) Current Tax | | 184.68 | 1,326.73 |
| (2) Excess/Short Provision of Tax | | 148.74 | (1.65) |
| (3) Deferred Tax | | (1,090.85) | 177.53 |
| IX Profit/(loss) for the year (VII-VIII) | | (1,407.64) | 4,509.14 |
| X Other Comprehensive Income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains/(Loss) on defined benefit plans | | (53.72) | 35.93 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | (12.44) |
| (B) (i) Items that will be reclassified to profit or loss | | | |
| Unrealised exchange gain/(Loss) | | 30.91 | (25.57) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | 8.85 |
| Other Comprehensive Income / (Loss) for the year (X) | | (22.81) | 6.77 |
| XI Total Comprehensive Income /Loss for the year (IX+X) | | (1,430.45) | 4,515.91 |
| XII Earnings per equity share [nominal value of share Rs. 10/-] | | | |
| (1) Basic | | (7.66) | 24.53 |
| (2) Diluted | | (7.66) | 24.53 |

As per our report of even date
For **PGS & Associates**
ICAI Firm Registration No. : 122384W

Premal Gandhi
Partner
M.No.111592

Place : Pithampur
Date : June 29, 2020

For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited

Dinesh Patidar
Chairman and Managing Director
DIN:00549552

Dinesh Patel
Chief Financial Officer

Ramesh Patidar
Executive Director
DIN:00931437

Ravi Patidar
Company Secretary
M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

| PARTICULAR | For the Year Ended March, 31, 2020 | For the Year Ended March, 31, 2019 |
|---|---------------------------------------|---------------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit & loss before tax as per profit & Loss Account | (2,165.07) | 6,011.76 |
| Adjusted For : | | |
| Depreciation and Amortisation Expense | 1,719.69 | 1,504.38 |
| Interest Income | (107.57) | (103.17) |
| Interest Paid | 1,702.98 | 1,412.79 |
| Re-measurement gain / (loss) on defined benefit plans | (53.72) | 35.93 |
| Unrealised exchange (gain)/loss (net) | 45.03 | (25.57) |
| (Profit) /Loss on sale of property, plant and equipment (net) | (27.42) | (0.02) |
| | 3,278.99 | 2,824.33 |
| Operating Profit Before Working Capital Changes | 1,113.91 | 8,836.09 |
| Adjusted For : | | |
| (Increase)/Decrease in Trade and Other Receivables | 7,652.98 | (7,904.91) |
| (Increase)/Decrease in Inventories | (898.42) | (1,943.02) |
| Increase/(Decrease) in Trade and other payables | (2,073.20) | 2,530.90 |
| | 4,681.36 | (7,317.03) |
| Net Cash Flow From Operating Activities | 5,795.27 | 1,519.05 |
| | | |
| Income taxes (paid)/refund (net) | (761.21) | (1,748.49) |
| | (761.21) | (1,748.49) |
| Net Cash Flow From/(Used In) Operating Activities (A) | 5,034.05 | (229.44) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (1,751.48) | (3,382.61) |
| Purchase of Intangible Assets | (232.68) | (128.08) |
| Movement in Advance for Capital Goods | 89.64 | (98.37) |
| Movement in Capital Work-in-Progress | (11.59) | (1,191.25) |
| Sale of Fixed Assets | 135.09 | 107.27 |
| Interest Received | 89.19 | 103.17 |
| (Deposits)/Redemption with banks | (1,822.62) | 160.36 |
| Net Cash Flow From/(Used In) Investing Activities (B) | 3504.46 | (4,429.51) |



(Rs. in Lacs)

| PARTICULAR | For the Year Ended March, 31, 2020 | For the Year Ended March, 31, 2019 |
|--|---------------------------------------|---------------------------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 2,336.15 | 1,806.05 |
| Repayment of Long term borrowings | (1,867.21) | (1,135.92) |
| Proceeds from Short Term Borrowings (Net) | 995.16 | 5,716.81 |
| Dividend Paid including tax thereon | (1,107.91) | (819.86) |
| Interest Paid | (1,756.87) | (1,412.79) |
| Net Cash Flow From/(Used In) Financing Activities (C) | (1,400.68) | 4,154.29 |
| Net Change in Cash & Cash Equivalents (A+B+C) | 128.91 | (504.66) |
| Cash & Cash Equivalents at the beginning of the year | 531.44 | 1,036.10 |
| Cash & Cash Equivalents at the end of the year | 660.35 | 531.44 |

- Note : 1. Figures in brackets represent Cash Outflow
2. Cash and Cash Equivalents comprise of :

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Cash In Hand | 2.47 | 3.98 |
| Balance with Scheduled Banks | 549.38 | 430.85 |
| Fixed Deposit with Maturity Less than three months | 108.51 | 96.61 |
| Total | 660.35 | 531.44 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

Place : Pithampur

Date : June 29, 2020

**For and on behalf of the Board of Directors of
Shakti Pumps (India) Limited**

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Dinesh Patel

Chief Financial Officer

Ramesh Patidar

Executive Director

DIN:00931437

Ravi Patidar

Company Secretary

M. No. ACS 32328



SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a. EQUITY SHARE CAPITAL

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| Equity Shares of Rs. 10/- each | | |
| Balance at the beginning of the year | 1,838.02 | 1,838.02 |
| Add : Shares issued during the year | - | - |
| Balance at the end of the year | 1,838.02 | 1,838.02 |

b. OTHER EQUITY

(Rs. in Lacs)

| Particulars | Retained Earnings | | | Securities | Foreign | Total |
|--|--------------------------|-----------------|-----------------|-----------------|------------------------------|------------------|
| | Surplus in P/L Statement | General Reserve | Capital Reserve | Premium Reserve | Exchange Fluctuation Reserve | |
| Balance as at March 31, 2018 | 4,975.94 | 9,636.71 | 49.87 | 8,797.81 | 64.82 | 23,525.15 |
| Dividend paid including tax thereon | (819.86) | - | - | - | - | (819.86) |
| Profit for the year | 4,509.14 | - | - | - | - | 4,509.14 |
| Foreign currency translation reserve | - | - | - | - | (19.93) | (19.93) |
| Other Comprehensive income / (Loss) for the year | 6.77 | - | - | - | - | 6.77 |
| Balance as at March 31, 2019 | 8,671.99 | 9,636.71 | 49.87 | 8,797.81 | 44.89 | 27,201.28 |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | - | (1,107.91) |
| Profit for the year | (1,407.64) | - | - | - | - | (1,407.64) |
| Foreign currency translation reserve | - | - | - | - | 14.08 | 14.08 |
| Other Comprehensive income / (Loss) for the year | (22.81) | - | - | - | - | (22.81) |
| Balance as at March 31, 2020 | 6,133.63 | 9,636.71 | 49.87 | 8,797.81 | 58.97 | 24,677.00 |

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

Place : Pithampur

Date : June 29, 2020

For and on behalf of the Board of Directors of

Shakti Pumps (India) Limited

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Dinesh Patel

Chief Financial Officer

Ramesh Patidar

Executive Director

DIN:00931437

Ravi Patidar

Company Secretary

M. No. ACS 32328

SIGNIFICANT ACCOUNTING POLICIES & NOTES

Notes to the consolidated financial statements for the year ended March 31, 2020

1. The Group Overview:

The Group, Shakti Pumps India Limited (SPIL) and its subsidiaries, engaged in manufacturing & trading of Pumps, Motors & their spare parts. The core products of the Company are Engineered Pumps, Industrial Pumps, and Solar Pumps.

2. Basis of Preparation of Consolidated Financial Statements and significant accounting policies:

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

2.2 Basis of Preparation

- a) The Consolidated Financial Statements comprise of the financial statements of Shakti Pumps (India) Limited (Parent Company) and the following subsidiaries as on 31st March 2020:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest of SPIL |
|-----------------------------------|--------------------------|--|
| Shakti Pumps LLC | USA | 100% |
| Shakti Pumps FZE | UAE | 100% |
| Shakti Pumps Pty Ltd. | Australia | 100% |
| Shakti Pumps (Bangladesh) Ltd. | Bangladesh | 100% |
| Shakti Pumps (Shanghai) Ltd. | China | 100% |
| Shakti Energy Solutions Pvt. Ltd. | India | 100% |

- b) The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – “Consolidated Financial Statements”. The deferred tax to be recognised for temporary differences arises from elimination of profits and

losses resulting from intra group transactions.

- c) Post-acquisition, the Company accounts for its share in the change in net assets of the subsidiaries (after eliminating unrealised profits and losses resulting from transactions between the Company and its subsidiaries to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- d) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Capital Reserve/Goodwill as the case may be.
- e) The accounts of Shakti Pumps LLC, USA and Shakti Pumps Pty Ltd., Australia are exempt from Audit.
- f) The Accounting Policies of the parent company and its subsidiaries are largely similar. However, few accounting policies are different as certain subsidiaries located in different countries have to comply with the local regulatory requirements.
- g) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are recognised as Other Comprehensive Income/(loss) and disclosed accordingly.
- h) Significant Accounting Policies of the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.
- i) With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Group has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

2.3 Significant Accounting Policies:

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combination:

Business Combinations are accounted for using the acquisition



method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

b) Deferred Tax:

The Company does not recognise deferred tax liability with respect to undistributed retained earnings of subsidiaries and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.



Notes to the Consolidated Financial Statements for the year ended March 31, 2020

NON - CURRENT ASSETS

3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

| Particulars | Other than Research and Development | | | | | | | | Research and Development | | | | | Right of use Asset-Leases | Total | Capital Work-In Progress |
|---------------------------------|-------------------------------------|------------|-------------------|---------------|------------|----------------------|----------------|-------------------|--------------------------|---------------|------------|----------------------|-------------------|---------------------------|-----------|--------------------------|
| | Free hold Land | Build ings | Plant & Machinery | Die and Tools | Com puters | Furniture & Fixtures | Motor Vehicles | Office Equip ment | Plant and Machi nery | Die and Tools | Com puters | Furniture & Fixtures | Office Equip ment | | | |
| Gross Carrying Amount | | | | | | | | | | | | | | | | |
| As at April 1, 2018 | 415.86 | 3,370.64 | 7,195.60 | 7,550.22 | 561.17 | 507.45 | 158.65 | 367.48 | - | - | - | - | - | - | 20,127.07 | 23.97 |
| Additions | - | 239.72 | 1,454.47 | 958.24 | 97.18 | 96.62 | 102.37 | 166.01 | 49.16 | 185.72 | 2.87 | 0.76 | 29.50 | - | 3,382.63 | 1,100.22 |
| Sales/ Disposals/ Adjustments | - | - | 62.29 | 62.30 | 5.89 | 2.92 | 0.58 | 6.48 | - | - | - | - | - | - | 140.46 | - |
| As at March 31, 2019 | 415.86 | 3,610.36 | 8,587.78 | 8,446.16 | 652.46 | 601.15 | 260.43 | 527.00 | 49.16 | 185.72 | 2.87 | 0.76 | 29.50 | - | 23,369.21 | 1,124.19 |
| Additions | - | 1,038.17 | 547.70 | 942.71 | 27.27 | 27.49 | - | 151.03 | - | 55.33 | 26.27 | 2.69 | 7.00 | 56.34 | 2,882.00 | 151.75 |
| Sales/ Disposals/ Adjustments | - | 0.28 | 156.96 | 0.76 | 2.08 | 1.34 | - | 5.75 | - | - | - | - | 0.02 | - | 167.20 | 1,229.97 |
| As at March 31, 2020 | 415.86 | 4,648.24 | 8,978.53 | 9,388.12 | 677.64 | 627.30 | 260.43 | 672.28 | 49.16 | 241.05 | 29.15 | 3.44 | 36.48 | 56.34 | 26,084.03 | 45.97 |
| Accumulated Depreciation | | | | | | | | | | | | | | | | |
| As at April 1, 2018 | - | 545.06 | 2,710.99 | 3,991.82 | 358.05 | 258.87 | 66.17 | 148.87 | - | - | - | - | - | - | 8,079.83 | - |
| Charge for the Year | - | 90.15 | 464.96 | 743.59 | 69.08 | 47.38 | 32.98 | 38.65 | 0.78 | 7.32 | 0.18 | 0.06 | 1.73 | - | 1,496.85 | - |
| Sales/ Disposals/ Adjustments | - | - | 20.02 | 4.94 | 1.87 | 0.04 | 0.58 | 5.78 | - | - | - | - | - | - | 33.22 | - |
| As at March 31, 2019 | - | 635.21 | 3,155.93 | 4,730.47 | 425.27 | 306.21 | 98.57 | 181.74 | 0.78 | 7.32 | 0.18 | 0.06 | 1.73 | - | 9,543.47 | - |
| Charge for the Year | - | 94.68 | 538.41 | 829.49 | 64.05 | 52.36 | 26.73 | 54.37 | 3.11 | 25.29 | 3.36 | 0.30 | 3.29 | 0.94 | 1,696.39 | - |
| Sales/ Disposals/ Adjustments | - | 0.02 | 74.23 | 0.97 | 4.53 | 2.33 | - | 4.28 | - | (0.01) | (0.01) | - | 0.00 | - | 86.33 | - |
| As at March 31, 2020 | - | 729.88 | 3,620.11 | 5,558.99 | 484.79 | 356.24 | 125.30 | 231.83 | 3.89 | 32.63 | 3.55 | 0.36 | 5.02 | 0.94 | 11,153.53 | - |
| Net Block Value | | | | | | | | | | | | | | | | |
| As at March 31, 2019 | 415.86 | 2,975.16 | 5,431.85 | 3,715.69 | 227.19 | 294.94 | 161.86 | 345.26 | 48.38 | 178.40 | 2.70 | 0.70 | 27.77 | - | 13,825.75 | 1,124.19 |
| As at March 31, 2020 | 415.86 | 3,918.36 | 5,358.42 | 3,829.13 | 192.86 | 271.06 | 135.13 | 440.45 | 45.27 | 208.42 | 25.60 | 3.08 | 31.46 | 55.41 | 14,930.50 | 45.97 |

- A. Capital Work-In-Progress: Includes assets under construction at various plant and yet to be commissioned.
- B. Property, plant and equipment pledged as security: Please refer details of security provided in Note No. 14.1 & 17.1
- C. Capital commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is Rs. 5.27 Lacs as at 31st March, 2020 (Rs. 134.25 Lacs as at 31st March, 2019)
- D. The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.
- E. Capital expenditure incurred during the year on research & development is accounted for as an addition to property, plant & equipment. (Refer accounting policies)
- F. Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015**

Effective April 1, 2019, the Company adopted Ind AS 116

"Leases" and applied the standard to all lease contracts existing on April 1, 2019 prospectively, with the cumulative effect of applying the Standard, recognised on the date of initial application (April 1, 2019). Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as included as part of our Annual Report for year ended March 31, 2019.

Application of the standard has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs 47.11 lacs. In the profit and loss account for the current period, nature of expenses is depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2020, Rs. 2.92 Lakhs has been accounted as Finance Cost and Rs. 0.94 Lakhs as Depreciation against the payment liability of Rs.5.49 Lakhs.

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS

(Rs. in Lacs)

| PARTICULAR | Computer Software | Intangible Assets Under Development |
|---------------------------------|-------------------|-------------------------------------|
| Gross Carrying Amount | | |
| As at April 1, 2018 | 61.68 | - |
| Additions | 128.08 | 91.03 |
| Sales/Disposals/Adjustments | - | - |
| As at March 31, 2019 | 189.76 | 91.03 |
| Additions | 232.67 | 23.53 |
| Sales/Disposals/Adjustments | - | 91.03 |
| As at March 31, 2020 | 422.43 | 23.53 |
| Accumulated Amortisation | | |
| As at April 1, 2018 | 2.86 | - |
| Charge for the Year | 7.54 | - |
| Sales/Disposals/Adjustments | - | - |
| As at March 31, 2019 | 10.40 | - |
| Charge for the Year | 23.30 | - |
| Disposals/Adjustments | - | - |
| As at March 31, 2020 | 33.70 | - |
| Net Block Value | | |
| As at March 31, 2019 | 179.36 | 91.03 |
| As at March 31, 2020 | 388.73 | 23.53 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2020

NON - CURRENT ASSETS

5 Financial Assets

5.1 Investments (At Cost) (Unquoted Fully paid-up unless otherwise stated)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Investments in Others : | | |
| (i) Equity Instrument of Others (in Cosmos Bank) | 0.02 | 0.02 |
| Total | 0.02 | 0.02 |

6 Non-Current Tax Assets (Net)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------|----------------------|
| Net Income Tax Assets | 1,219.37 | 1,194.62 |
| Total | 1,219.37 | 1,194.62 |

7 Other Non-Current Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (Unsecured, considered good) | | |
| (i) Miscellaneous Expenditure | - | 2.13 |
| (ii) Balances with Government Authorities | 657.87 | 654.15 |
| Less :Provision for doubtful assets | (199.54) | - |
| (iii) Capital Advances | 22.55 | 112.19 |
| Total | 480.88 | 768.47 |

CURRENT ASSETS

8 Inventories

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|----------------------|----------------------|
| (i) Raw Material | 4,756.95 | 5,606.21 |
| (ii) Packing Material & Consumables | 257.28 | 245.82 |
| (iii) Work In Process | 2,795.63 | 2,645.70 |
| (iv) Finished Goods | 6,320.48 | 4,766.59 |
| (v) Stock in Transit | 324.81 | 292.44 |
| Total | 14,455.17 | 13,556.75 |

Notes:

- Inventories are hypothecated with the bankers against working capital limits. (Refer note 17.1(b))
- Valued at lower of cost and Net Relisable value unless otherwise stated (Refer accounting policies)

9 Financial Assets

9.1 Trade Receivables

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (Unsecured, at amortised cost) | | |
| (i) Considered good | 12,526.32 | 18,053.72 |
| (ii) Considered doubtful | 9.00 | 9.00 |
| Less : Provision for expected credit Loss | (9.00) | (9.00) |
| Total | 12,526.32 | 18,053.72 |

1 Trade Receivable are hypothecated with the bankers against working capital limits. {Refer note 17.1(b)}

2 Trade receivables are usually non-interest bearing and are on trade terms of 30 to 180 days.

3 Related party transactions & balance {Refer note no. 36}

9.2 Cash and Cash Equivalents

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (i) Cash In Hand | 2.47 | 3.98 |
| (ii) Balance with Scheduled Banks : | | |
| (a) In Current Accounts | 549.38 | 430.85 |
| (b) Fixed Deposit with Maturity less than 3 Months | 108.51 | 96.61 |
| Total | 660.35 | 531.44 |

9.3 Other Bank Balances

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------|----------------------|----------------------|
| (i) In Fixed Deposit Accounts | 3,171.47 | 1,347.14 |
| (ii) Unclaimed Dividend | 19.81 | 21.52 |
| Total | 3,191.28 | 1,368.66 |

Notes:

1 Fixed deposit with remaining maturity of more than three months have been disclosed under other bank balances.

2 The Company can utilise the balance of unclaimed dividend towards settlement of unclaimed dividend.

9.4 Other Financial Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (Unsecured- considered good) | | |
| (i) Security Deposits | 588.51 | 647.45 |
| (ii) Interest Receivable on Fixed Deposits with Bank | 30.35 | 11.97 |
| Total | 618.86 | 659.42 |

10 Current Tax Assets (Net)

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | | As at March 31, 2019 | |
|---------------------------|----------------------|---------------|----------------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (i) Net Income Tax Assets | | 460.32 | | 57.28 |
| Total | | 460.32 | | 57.28 |

11 Other Current Assets

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | | As at March 31, 2019 | |
|---------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (Unsecured- considered good) | | | | |
| (i) Prepaid Expenses | | 300.39 | | 357.58 |
| (ii) Advance to Suppliers | | 198.84 | | 429.03 |
| (iii) Statutory and Other Receivables | | 4,561.11 | | 6,142.43 |
| Total | | 5,060.34 | | 6,929.04 |

12 Share Capital

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised : | | | | |
| Equity Shares of Rs.10/- each | 25,000,000 | 2,500.00 | 25,000,000 | 2,500.00 |
| 15 % Compulsory Convertible Preference Shares of Rs. 100/- each | 1,500,000 | 1,500.00 | 1,500,000 | 1,500.00 |
| Total | 26,500,000 | 4,000.00 | 26,500,000 | 4,000.00 |
| Issued & Subscribed : | | | | |
| Equity shares of Rs.10/- each | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| 15 % Compulsory Convertible Preference Shares of Rs.100/- each | - | - | - | - |
| Total | 18,560,356 | 1,856.04 | 18,560,356 | 1,856.04 |
| Paid Up Capital : | | | | |
| Equity Shares of Rs.10/- each | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |
| 15 % Compulsory Convertible Preference Shares of Rs.100/- each | - | - | - | - |
| Total | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

12.1 Terms/rights attached to the equity shares :

- The Company has only one class of equity shares having a par value of Rs. 10/- per share.
- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



12.2 1,80,200 Shares out of Issued Share are forfeited by the company which has not been reissued.

12.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the year :

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance as at the beginning of the year | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |
| Add: Additional equity shares issued during the period | - | - | - | - |
| Less: Equity shares forfeited/bought back during the period | - | - | - | - |
| Balance as at the end of the year | 18,380,156 | 1,838.02 | 18,380,156 | 1,838.02 |

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

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Mr. Dinesh Patidar | 3,685,000 | 20.05% | 3,521,488 | 19.16% |
| Mr. Ankit Patidar | 1,500,000 | 8.16% | 1,500,000 | 8.16% |
| Mr. Sunil Patidar | 1,562,200 | 8.50% | 1,562,200 | 8.50% |
| AF Holdings | 1,636,363 | 8.90% | 1,636,363 | 8.90% |
| M.L. Securities & Finance Pvt. Ltd | 848,994 | 4.62% | 938,994 | 5.11% |

13 Other Equity

| Particulars | Retained Earnings | | Securities | Foreign | Total | |
|--|--------------------------|-----------------|-----------------|------------------------------|--------------|------------------|
| | Surplus in P/L Statement | General Reserve | Capital Reserve | Exchange Fluctuation Reserve | | |
| Balance as at March 31, 2018 | 4,975.94 | 9,636.71 | 49.87 | 8,797.81 | 64.82 | 23,525.15 |
| Add/(Less): | | | | | | |
| Appropriations/Adjustments : | | | | | | |
| Dividend paid including tax thereon | (819.86) | - | - | - | - | (819.86) |
| Profit / (Loss) for the year | 4,509.14 | - | - | - | - | 4,509.14 |
| Foreign currency translation reserve | - | - | - | - | (19.93) | (19.93) |
| Other Comprehensive Income / (Loss) for the year | 6.77 | - | - | - | - | 6.77 |
| Balance as at March 31, 2019 | 8,671.99 | 9,636.71 | 49.87 | 8,797.81 | 44.89 | 27,201.28 |
| Add/(Less): | | | | | | |
| Appropriations/Adjustments : | | | | | | |
| Dividend paid including tax thereon | (1,107.91) | - | - | - | - | (1,107.91) |
| Profit / (Loss) for the year | (1,407.64) | - | - | - | - | (1,407.64) |
| Foreign currency translation reserve | - | - | - | - | 14.08 | 14.08 |
| Other Comprehensive Income / (Loss) for the year | (22.81) | - | - | - | - | (22.81) |
| Balance as at March 31, 2020 | 6,133.63 | 9,636.71 | 49.87 | 8,797.81 | 58.97 | 24,677.00 |

Non-current liabilities

14 Financial liabilities

14.1 Non Current Borrowings

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Term Loans: | | |
| (l) Term loan from Bank | | |
| Rupee Loan | 1,109.76 | 2,909.67 |
| Foreign Currency Loan | 2,290.57 | - |
| Other: | | |
| (ii) Vehicle Loan from Bank | 52.78 | 74.50 |
| Less: Current Maturities of Long Term Borrowings | (841.81) | (849.34) |
| Total | 2,611.30 | 2,134.82 |

- (a) Interest rate of the above rupees loan in range between 9.05% to 10.80%
- (b) Interest rate of the above foreign currency loan in range between 5.80% to 6.00%
- (c) During the year company has converted rupees loan into foreign currency loan. (USD 32.24 Lacs)
- (d) Borrowings from banks are secured by way of :-
- (i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
- (e) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)
- (f) Vehicle Loans are secured by respective vehicles.
- (g) Maturity Profile of the above loan as below :

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------------|----------------------|
| (i) Within One year | 841.81 | 849.34 |
| (ii) Two to Five years | 2,611.30 | 2,134.82 |
| (iii) More than Five years | - | - |
| Total | 3,453.11 | 2,984.16 |

14.2 Other Financial Liabilities

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|----------------------|----------------------|
| Lease Liability Payable | 47.11 | - |
| Total | 47.11 | - |

Disclosure in accordance with Ind AS - 116 "Leases", are stated below.

(a) Lease Liability Movement

(Rs. in Lacs)

| PARTICULAR | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| Transaction Adjustment | - | - |
| Add : Addition during the year | 49.68 | - |
| Interest on lease liability | 2.92 | - |
| Less : Lease rental payments | (5.49) | - |
| Total | 47.11 | - |

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability as at March 31,2020 on an undiscounted basis.

(Rs. in Lacs)

| Ageing | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|----------------------|----------------------|
| Not later than one year | - | - |
| Within One year | 1.66 | - |
| Two to Five years | 6.62 | - |
| More than Five years | 38.83 | - |
| Total | 47.11 | - |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

15 Provisions

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 502.52 | 400.01 |
| (ii) Leave Encashment | 60.86 | 56.38 |
| Total | 563.38 | 456.39 |

{Refer provision for employee benefits note no. 34}

16 Deferred tax liabilities (Net)

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Tax effect of items constituting deferred tax liabilities: | | |
| (i) Property, plant and equipment | 85.58 | 1,176.42 |
| Total | 85.58 | 1,176.42 |

CURRENT LIABILITIES

17 Financial Liabilities

17.1 Current Borrowings

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| (i) Secured- At Amortised Cost | | |
| Working Capital Loans- From Banks | | |
| Rupee Loans | 12,799.52 | 10,984.21 |
| (ii) Unsecured Loan | | |
| Working Capital Loans- From Banks | | |
| Rupee Loans | 2,039.45 | 3,559.60 |
| Working Capital Loans- From Others | | |
| Rupee Loans | 1,000.00 | 300.00 |
| Total | 15,838.97 | 14,843.81 |

(a) Interest rate of the above rupees loan in range between 4.85% to 9.75%

(b) Working Capital loans and other credit facility are secured by way of :

- (i) First parri passu charge on both present and/or future, current assets including inventories & receivables.
- (ii) Second parri passu charge on both present and/or future, movable & immoveable property, plant & equipments.
- (iii) Personal Guarantee of Directors

17.2 Trade payables

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (i) Dues to Micro, Small and Medium Enterprises | 2,546.94 | 1,339.44 |
| (ii) Dues to other than Micro, Small and Medium Enterprises | 2,595.70 | 5,874.53 |
| Total | 5,142.64 | 7,213.97 |

Related party transactions & balance {Refer note no. 36}

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (i) Principal amount due and remaining unpaid | 2,546.94 | 1,339.44 |
| (ii) Interest paid | - | - |
| (iii) Interest due | - | - |
| (iv) Interest accrued and due | - | - |
| (v) Interest due and remaining unpaid | - | - |

17.3 Other Financial Liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (i) Current Maturities of Long Term Borrowings | 841.81 | 849.34 |
| (ii) Unclaimed Dividend * | 19.81 | 21.52 |
| (iii) Security Deposits Payable | 92.24 | 97.94 |
| (iv) Creditors for Service & Others | 434.11 | 1,063.08 |
| (v) Other Payables : | | |
| - Employee Dues | 369.04 | 366.55 |
| - Others | 473.72 | 199.04 |
| Total | 2,230.73 | 2,597.48 |

* Investor Education and Protection Fund will be credited, as and when due.

(a) Current Maturities of Long Term Debt

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------------|----------------------|
| Term Loan | | |
| (i) From Banks- Rupee Loan | 817.99 | 827.62 |
| (ii) Vehicle Loan | 21.72 | 23.82 |
| Total | 841.81 | 849.34 |

18 Provisions

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Provision for employee benefits : | | |
| (i) Gratuity Payable | 21.83 | 11.12 |
| (ii) Leave Encashment | 12.96 | 3.44 |
| Total | 34.79 | 14.56 |

{Refer provision for employee benefits note no.(34)}

19 Other Current Liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| (i) Advance from Customers | 504.02 | 394.41 |
| (ii) Other Payables | 414.78 | 395.59 |
| (iii) Duties and Taxes payable | 73.35 | 73.01 |
| Total | 992.15 | 863.01 |

REVENUE FROM OPERATION

20 Sale of Products

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|------------------------------|------------------|------------------|
| (i) Domestic Sales | 24,158.26 | 39,054.69 |
| (ii) Export Sales | 12,793.64 | 13,763.03 |
| (iii) Other Operating Income | 1,330.36 | 1,551.36 |
| Total | 38,282.26 | 54,369.08 |

(a) Other Operating Income Includes :

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-----------------------------|-----------------|-----------------|
| (i) Export benefits | 311.18 | 379.59 |
| (ii) Scrap Sales | 1,004.29 | 1,154.08 |
| (iii) Income from Services | - | 0.07 |
| (iv) Other Operating Income | 14.89 | 17.62 |
| Total | 1,330.36 | 1,551.36 |

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Product Type and Customer type:

(i) Revenue disaggregation by Product Type: Pumps and Motors.

(ii) Revenue disaggregation by Customer Type is as follows:

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-------------------------------------|------------------|------------------|
| Customers under Government Projects | 12,195.24 | 22,643.57 |
| Industrial Customers | 1,864.33 | 2,029.53 |
| Export Customers | 12,793.64 | 13,763.03 |
| OEM Customers | 4,606.00 | 9,614.45 |
| Other Customers | 6,823.05 | 6,318.50 |
| Total | 38,282.26 | 54,369.08 |

21 Other Income

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|---------------------|---------------|---------------|
| (i) Interest Income | 107.57 | 103.17 |
| (ii) Rent Received | 11.27 | 12.44 |
| (iii) Others | 290.05 | 254.61 |
| Total | 408.88 | 370.22 |

EXPENSES

22 Cost of Material Consumed

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-------------------------------------|------------------|------------------|
| Opening Stock of Raw Material | 5,852.03 | 4,596.83 |
| Add: Purchase of Raw Material | 25,759.00 | 34,481.99 |
| | 31,611.03 | 39,078.82 |
| Less: Closing Stock of Raw Material | 5,014.24 | 5,852.03 |
| Total | 26,596.79 | 33,226.79 |

23 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-----------------------------------|-------------------|-----------------|
| Inventories (at Close) | | |
| (i) Finished Goods/Stock in Trade | 6,320.48 | 4,766.59 |
| (ii) Work-In-Progress | 2,795.63 | 2,645.70 |
| Total | 9,116.12 | 7,412.29 |
| Inventories (at Opening) | | |
| (i) Finished Goods/Stock in Trade | 4,766.59 | 4,794.12 |
| (ii) Work-In-Progress | 2,645.70 | 2,222.79 |
| Total | 7,412.29 | 7,016.90 |
| CHANGE IN INVENTORIES | (1,703.83) | (395.38) |

24 Employee Benefit Expenses

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| (i) Salaries, Wages and Bonus | 4,910.54 | 4,663.63 |
| (ii) Contribution to Provident and Other Funds | 258.02 | 344.72 |
| (iii) Staff Welfare Expenses | 214.35 | 284.92 |
| Total | 5,382.91 | 5,293.27 |

25 Finance Cost

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-----------------------------|-----------------|-----------------|
| (i) Interest to Bank | 1,696.90 | 1,399.58 |
| (ii) Interest to Other | 6.08 | 13.21 |
| (iii) Other Borrowing Costs | 376.25 | 367.88 |
| Total | 2,079.23 | 1,780.66 |

26 Depreciation and Amortisation Expense

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|-------------------|-----------------|-----------------|
| (i) Depreciation | 1,695.45 | 1,496.85 |
| (ii) Amortisation | 24.23 | 7.53 |
| Total | 1,719.69 | 1,504.38 |

27 Other Expenses

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| (i) Power & Fuel | 266.40 | 235.44 |
| (ii) Job Work Expenses | 240.39 | 357.25 |
| (iii) Clearing & Forwarding Charges | 180.75 | 213.74 |
| (iv) Freight Charges | 812.70 | 853.69 |
| (v) Travelling Expenses | 889.60 | 1,038.43 |
| (vi) Advertising Expenses | 343.25 | 546.65 |
| (vii) ECGC Premium | 20.80 | 13.10 |
| (viii) Selling & Distribution Expenses | 1,753.37 | 2,023.27 |
| (ix) Legal, professional and consultancy charges | 323.08 | 321.47 |
| (x) Rent | 131.91 | 112.95 |
| (xi) Manufacturing Expenses | 381.56 | 387.45 |
| (xii) Auditors Remuneration | 8.59 | 7.98 |
| (xiii) Corporate Social Responsibility Expenses | 25.01 | 46.32 |
| (xiv) Rates and taxes | 98.71 | 26.52 |
| (xv) Provisions for Doubtful Assets | 199.54 | 0.00 |
| (xvi) Repair & Maintenance | 76.43 | 139.83 |
| (xvi) Conveyance Expenses | 252.47 | 267.32 |
| (xvii) Communication Expenses | 113.60 | 92.32 |
| (xviii) Directors Remuneration | 383.10 | 305.31 |
| (xix) Office & Administrative Expenses | 201.77 | 158.62 |
| (xx) Bad Debts Written off | 26.18 | 82.40 |
| (xxi) Provision for Doubtful Debts | - | 9.00 |
| (xxii) Donations and Contributions | 2.35 | 9.41 |
| (xxiii) Software Maintenance Expenses | 47.56 | 67.61 |
| (xxiv) Miscellaneous Expenses | 2.31 | 1.73 |
| Total | 6,781.43 | 7,317.83 |

27.1 Payment To Auditors :

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-------------|-------------|
| (i) For Audit | 5.00 | 4.00 |
| (ii) For Taxation Matters | - | - |
| (iii) For Other Services-Including component auditor | 3.59 | 3.98 |
| Total | 8.59 | 7.98 |

27.2 Corporate Social Responsibility Expenses :

(Rs. in Lacs)

| Nature of expenditure | 2019-20 | 2018-19 |
|---|--------------|--------------|
| (i) Free Medical Treatment thru Shakti Foundation | - | 1.00 |
| (ii) School Fees of poor childs thru Shakti Foundation | 11.00 | 20.50 |
| (iii) Donation to School | 1.00 | 0.00 |
| (iv) Initiative for Moral & Cultural Training Foundation | 0.40 | 2.57 |
| (v) Bal Mahotsav Celebration, Laptop Distribution | - | 1.64 |
| Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple | 12.61 | 20.61 |
| Total | 25.01 | 46.32 |

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is Rs 44.17 Lacs (31st March, 2019, Rs. 78.22 Lacs).

28 Research & Development

(Rs. in Lacs)

| Nature of Expenditure | 2019-20 | 2018-19 |
|-----------------------------------|---------------|---------------|
| (i) Capital Expenditure | 91.28 | 268.01 |
| (ii) Revenue Expenditure | 302.38 | 335.33 |
| Total Expenditure Incurred | 393.67 | 603.33 |
| Less: Income Earned by R&D | - | - |
| Net Expenditure Incurred | 393.67 | 603.33 |

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pithampur (Plot No. 401, 402 & 403, Sector-III), approved by the Department of scientific and Industrial Research, Ministry of Science and Technology. (Refer accounting policies 2.7)

29 Contingent Liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| (i) Bank Guarantee Outstanding | 8,636.40 | 6,509.71 |
| (ii) Unexpired Letter of Credit | 1,120.23 | 4,570.14 |
| (iii) Commercial Tax Demand under Dispute | 188.38 | 182.51 |
| (iv) Income Tax Demand Under Dispute | 3,759.64 | 3,759.64 |
| (v) Custom Duty Demand Under Dispute | 654.15 | - |
| Less: Provision for Doubtful Assets | (199.54) | - |
| Total | 14,159.27 | 15,022.00 |

30 Earnings Per Share

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|---|-------------------|-----------------|
| Profit / (Loss) for the year as per Statement of Profit and Loss | (1,407.64) | 4,509.14 |
| Weighted Average Number of Shares | 18,380,156 | 18,380,156 |
| Face Value of Share (Rs.) | 10.00 | 10.00 |
| Basic Earning Per Share | (7.66) | 24.53 |
| Diluted Earning Per Share | (7.66) | 24.53 |

31 Earnings in Foreign Exchange

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|------------------|------------------|
| (i) Export Sales of Pumps, Motors & Spares (FOB Value) | 12,793.64 | 13,763.03 |
| Total | 12,793.64 | 13,763.03 |

32 Expenditure in Foreign Currency on Account of :

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (i) Exhibition & Promotional Expenses | 13.17 | 54.83 |
| (ii) Travelling Expenses | 238.00 | 287.71 |
| (iii) Advertisement Expenses | - | 3.55 |
| (iv) Commission on Sales | 14.66 | 41.36 |
| (v) Software Development Expenses | 11.61 | - |
| (vi) Legal, Professional and Consultancy charges | 0.27 | - |
| (vii) Testing & Other Charges | 6.01 | - |
| Total | 283.72 | 387.46 |

33 Value of Imports on CIF Basis in Respect of :

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--------------------|-----------------|-----------------|
| (i) Raw Material | 3,384.18 | 7,939.63 |
| (ii) Capital Goods | 490.55 | 928.56 |
| Total | 3,874.73 | 8,868.19 |

34 Employee Benefit Obligations

34.1 Defined Contribution Plan :

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per IND-AS 19.

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|---------------|---------------|
| Employers Contribution to Provident Fund/ Pension Fund | 149.29 | 132.84 |
| Employers Contribution to ESIC | 7.49 | 12.61 |
| Total | 156.78 | 145.45 |

34.2 Defined Benefit Plan for Gratuity & for Leave Encashment :

- (i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.
- (ii) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Asset Volatility :

- (i) The plan liabilities are calculated using a discount rate; if plan assets under perform compared to the discount rate, this will create or increase a deficit.
- (ii) As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

b) Life Expectancy :

The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

The amounts recognized in the Balance Sheet are as follows :

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Present value of obligation at the end of year | 72.78 | 59.82 | 567.54 | 443.50 |
| Fair value of plan assets at the end of year | - | - | 43.19 | 32.37 |
| Net liability recognized in the Balance Sheet | 72.78 | 59.82 | 524.35 | 411.13 |

The amounts recognized in the Statement of Profit and Loss are as follows:

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|---|------------------|--------------|--------------|--------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Current Service Cost | 15.04 | 11.76 | 64.12 | 54.94 |
| Interest Cost | 4.69 | 3.90 | 32.36 | 30.89 |
| Past Service Cost | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Recognized Net Actuarial (Gain)/ Loss | 0.64 | 3.15 | - | - |
| Total, included in Employee Benefit Expenses | 20.37 | 18.82 | 96.48 | 85.83 |

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|--------------|---------------|---------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Defined benefit obligation at beginning of the year | 59.82 | 49.78 | 443.50 | 406.68 |
| Current Service Cost | 15.04 | 11.76 | 64.12 | 54.94 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 4.69 | 3.90 | 34.77 | 31.88 |
| Benefits Paid | (7.41) | (8.77) | (30.01) | (14.30) |
| Actuarial (Gain)/ Loss | 0.64 | 3.15 | 55.16 | (35.70) |
| Defined benefit obligation at the end of the year | 72.78 | 59.82 | 567.54 | 443.50 |

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--|------------------|---------|----------|---------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| (i) Discount Rate | 6.78% | 7.84% | 6.78% | 7.84% |
| (ii) Salary Escalation Rate | 6.00% | 7.00% | 6.00% | 7.00% |
| (iii) Expected Rate of Return on Plan Assets | None | None | 7.44% | 7.87% |

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

(Rs. in Lacs)

| Particulars | Leave Encashment | | Gratuity | |
|--------------------------|------------------|----------|----------|----------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| (i) Retirement Age | 60 years | 60 years | 60 years | 60 years |
| (ii) Employee Turnover : | | | | |
| 18-30 Years | 3.00% | 3.00% | 3.00% | 3.00% |
| 30-45 Years | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 45 Years | 1.00% | 1.00% | 1.00% | 1.00% |

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity :

(Rs. in Lacs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2020 | 100 Basis Points | (76.95) | 94.05 |
| | 2019 | 100 Basis Points | (64.02) | 78.96 |
| (ii) Salary Growth Rate | 2020 | 100 Basis Points | 93.83 | (78.13) |
| | 2019 | 100 Basis Points | 78.83 | (65.02) |

Leave Encashment :

(Rs. in Lacs)

| Principal assumption | Year | Changes in assumption | Impact on defined benefit obligation | |
|-------------------------|------|-----------------------|--------------------------------------|------------------------|
| | | | Increase in assumption | Decrease in assumption |
| (i) Discount Rate | 2020 | 100 Basis Points | (10.83) | 13.47 |
| | 2019 | 100 Basis Points | (8.95) | 11.13 |
| (ii) Salary Growth Rate | 2020 | 100 Basis Points | 13.44 | (11.00) |
| | 2019 | 100 Basis Points | 11.11 | (9.09) |

Gratuity :

(Rs. In Lacs)

| Expected Cash Flow for the Next Ten Years | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Year 2020 | - | 11.56 |
| Year 2021 | 22.32 | 21.31 |
| Year 2022 | 14.69 | 15.17 |
| Year 2023 | 42.43 | 23.77 |
| Year 2024 | 31.42 | 33.24 |
| Year 2025 | 26.80 | - |
| Year 2025 - 2029 | - | 283.27 |
| Year 2026 - 2030 | 318.93 | - |

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rate is based on prevailing market yields on government securities as at balance sheet date for the estimated term of the obligations.

35 Income Tax Expenses

(Rs. in Lacs)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-------------------|
| (i) Profit or Loss Section | | |
| Current Tax Expenses on profit before tax | 184.68 | 1,326.73 |
| (Short)/Excess provision for tax relating to prior period | 148.74 | (1.65) |
| Deferred Tax | (1,090.85) | 177.53 |
| Total Income Tax Expenses Recognised in Statement of Profit & Loss | (757.42) | 1,502.61 |
| (ii) Other Comprehensive Income (OCI) Section | | |
| Income tax charged to OCI | - | (3.59) |
| (iii) Reconciliation of Effective Tax Rate | | |
| A) Profit Before Tax | (2,165.07) | 6,011.75 |
| B) Enacted Tax Rate In India | 34.94% | 34.94% |
| C) Expected Tax Expenses | (756.56) | 2,100.75 |
| D) Tax Effect of | | |
| - Difference Between Book Depreciation And Tax Depreciation | 83.44 | (98.90) |
| - Deduction on account of Research and Development Expenses | (290.11) | (569.67) |
| - Other Provisions | 2,900.26 | (1,546.45) |
| E) Net Adjustment | 2,693.58 | (2,215.02) |
| F) Tax Expenses/(Saving) on Net Adjustment (E*B) | 941.25 | (774.02) |
| G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F) | 184.68 | 1,326.73 |
| H) Excess/(Short) Provision for tax relating to prior year | 148.74 | (1.65) |
| I) Changes on Account of Deferred Tax | (1,090.85) | 177.53 |
| Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I) | (757.42) | 1,502.61 |

36 Related Party Disclosure as required by Indian Accounting Standard 24 is as below :

(i) List of Related Parties and Relationships

S.No. Description of Relationship & Name of Related Party :

1. Enterprise over which Key Management are able to exercise Significant Influence :

- (i) Shakti Irrigation India Ltd.
- (ii) Arsh Industrial Solutions Pvt. Ltd.
- (iii) Shakti Irrigation Pvt. Ltd.
- (iv) Vintex Tools Pvt. Ltd.
- (v) SPIL Energy Ltd.

2. Key Managerial Personnel :

- (i) Mr. Dinesh Patidar
- (ii) Mr. Sunil Patidar
- (iii) Mr. Ramesh Patidar
- (iv) Mrs. Indira Patidar



(ii) Transaction with Related Parties :

(Rs. in Lacs)

| S. No | Name of Party | Nature of Transaction | 2019-20 | 2018-19 |
|-------|-------------------------------------|--|----------|---------|
| 1 | Shakti Irrigation India Ltd. | Purchase of Components | 861.51 | 886.41 |
| | | Purchase of Asset | 0.12 | - |
| | | Purchase of Drip Irrigation Pipes | 0.16 | 0.18 |
| | | Sale of Parts & Pipes | 21.20 | 9.66 |
| | | Sale of Pumps & Motors & other material | 32.06 | 0.73 |
| | | Sale of Assets | 11.07 | - |
| 2 | Vintex Tools Pvt. Ltd. | Interest Received | - | 8.17 |
| | | Purchase of Dies & Other material | 1,005.84 | 784.42 |
| | | Sale of Asset | 449.07 | 0.60 |
| | | Sale of Spare parts | 16.65 | 33.32 |
| 3 | Arsh Industrial Solutions Pvt. Ltd. | Sale of Solar Structure Parts | 2.75 | - |
| | | Purchase of Nuts & Bolts | 546.16 | 305.06 |
| | | Purchase of Solar Structure Accessories | 211.54 | 75.80 |
| | | Sale of Solar Structure Parts | 60.28 | 3.49 |
| | | Sale of Asset | 74.26 | 5.89 |
| 4 | Shakti Irrigation Pvt. Ltd. | Sale of Spare Parts | 448.63 | 39.44 |
| | | Sale of Pumps, Motors & other material | 0.23 | 5.46 |
| | | Sale of Asset | 1.26 | - |
| | | Income from Rent | 11.27 | 12.26 |
| 5 | SPIL Energy Ltd. | Purchase of Pipes | 903.53 | 593.59 |
| | | Purchase of Pumps, Motors & other material | 11.60 | - |
| | | Sale of Solar Structure | 11.05 | - |
| 6 | Dinesh Patidar | Remuneration | 312.03 | 232.50 |
| 7 | Sunil Patidar | Remuneration | 12.00 | 12.00 |
| 8 | Ramesh Patidar | Other Allowances | 0.87 | 11.72 |
| | | Remuneration | 32.55 | 35.00 |
| | | Sale Incentive | 7.50 | 0.00 |
| 9. | Mrs. Indira Patidar | Other Allowances | 1.65 | 2.59 |
| | | Remuneration | 24.00 | 24.00 |

(iii) Related Party Balance :

(Rs. in Lacs)

| S. No | Nature | Name of Party | As at | As at |
|-------|--------------------------------|-------------------------------------|----------------|----------------|
| | | | March 31, 2020 | March 31, 2019 |
| 1. | Trade Receivables | Shakti Irrigation India Ltd. | 47.31 | 0.87 |
| | | Vintex Tools Pvt. Ltd. | 14.11 | - |
| | | Arsh Industrial Solutions Pvt. Ltd. | 270.33 | - |
| 2. | Trade Payables | Vintex Tools Pvt. Ltd. | 288.15 | 282.41 |
| | | Shakti Irrigation India Ltd. | 199.97 | 112.07 |
| | | Shakti Irrigation Private Ltd. | 70.39 | 9.25 |
| | | Arsh Industrial Solutions Pvt. Ltd. | 168.56 | 6.63 |
| | | Shakti Irrigation India Ltd. | - | 98.92 |
| 3. | Advance to Vendor | Shakti Irrigation India Ltd. | - | 98.92 |
| 4. | Creditors for service & others | Mrs. Indira Patidar | 1.25 | 1.45 |

37 Financial Instruments

A. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company
(Rs. in Lacs)

| Financial Instruments by category | Carrying Value | | | Fair Value | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | |
| Financial Assets at Amortised Cost | | | | | |
| Cash and Bank Balances | 3,851.63 | 1,900.10 | 3,851.63 | 1,900.10 | |
| Other Financial Assets | 618.86 | 659.42 | 618.86 | 659.42 | |
| Trade Receivables | 12,526.32 | 18,053.72 | 12,526.32 | 18,053.72 | |
| Total | 16,996.82 | 20,613.24 | 16,996.82 | 20,613.24 | |
| Financial Liabilities at Amortised Cost | | | | | |
| Trade Payables | 5,142.64 | 7,213.97 | 5,142.64 | 7,213.97 | |
| Borrowings | 19,292.08 | 17,827.97 | 19,292.08 | 17,827.97 | |
| Other Financial Liabilities | 1,436.03 | 1,748.13 | 1,436.03 | 1,748.13 | |
| Total | 25,870.74 | 26,790.08 | 25,870.74 | 26,790.08 | |

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counter party and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets:

(Rs. in Lacs)

| Particulars | Carrying Amount | As at March 31, 2020 | | |
|--|-----------------|------------------------|---------|-----------|
| | | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 3,851.63 | - | - | 3,851.63 |
| Other Financial Assets | 618.86 | - | - | 618.86 |
| Trade Receivables | 12,526.32 | - | - | 12,526.32 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 5,142.64 | - | - | 5,142.64 |
| Borrowings | 19,292.08 | - | - | 19,292.08 |
| Other Financial Liabilities | 1,436.03 | - | - | 1,436.03 |

(Rs. in Lacs)

| Particulars | As at March 31, 2019 | | | |
|--|----------------------|------------------------|---------|-----------|
| | Carrying Amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Amortised Cost | | | | |
| Cash and Bank Balances | 1,900.10 | - | - | 1,900.10 |
| Other Financial Assets | 659.42 | - | - | 659.42 |
| Trade Receivables | 18,053.72 | - | - | 18,053.72 |
| Financial Liabilities at Amortised Cost | | | | |
| Trade Payables | 7,213.97 | - | - | 7,213.97 |
| Borrowings | 17,827.97 | - | - | 17,827.97 |
| Other Financial Liabilities | 1,748.13 | - | - | 1,748.13 |

B. Financial Risk Management

Shakti Pumps (India) Limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Company.

1. Capital Management:

The company's capital management objectives are:

- (i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.
- (ii) The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.
- (iii) The Company uses debt ratio as a capital management index and calculates the ratio as the net debt divided by total equity. Net debts and total equity are based on the amounts stated in the financial statements.

(iv) Debt-to-equity ratio is as follows:

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| Debt (A) | 19,292.08 | 17,827.97 |
| Equity (B) | 26,515.01 | 29,039.30 |
| Debt Equity Ratio (A/B) | 0.73 | 0.61 |

2. Credit Risk:

- (i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.
- (ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

3. Liquidity Risk:

Liquidity Risk Management: Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Company's expected maturity for borrowings :

(Rs. in Lacs)

| Exposure to Risk | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|----------------------|----------------------|
| Interest bearing borrowings: | | |
| On Demand | 12,799.52 | 10,984.21 |
| Less than 180 Days | 3,460.35 | 4,284.27 |
| 181-365 Days | 420.90 | 424.67 |
| More than 365 Days | 2,611.30 | 2,134.82 |

4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency Exchange Rate Risk :

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Company. The Company, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures :

| Particulars | Foreign Currency | As at March 31, 2020 | | As at March 31, 2019 | |
|--|------------------|----------------------|-----------------|----------------------|-----------------|
| | | Foreign Curr. Amount | Amount in Rs. | Foreign Curr. | Amount in Rs. |
| I. Trade receivables/Advance from customer : | AUD | - | - | (0.07) | (3.67) |
| | EUR | 0.73 | 58.15 | 0.18 | 13.81 |
| | USD | 24.56 | 1,818.46 | 46.22 | 3,158.55 |
| | Total | | 1,876.61 | | 3,168.68 |
| II. Borrowing balances : | USD | 32.24 | 2290.57 | - | - |
| | Total | | 2290.57 | | - |
| III. Trade payables : | EUR | 3.03 | 242.73 | 1.40 | 102.22 |
| | AUD | 1.57 | 70.85 | - | - |
| | USD | 7.10 | 525.56 | 13.61 | 926.90 |
| | JPY | - | - | 7.80 | 4.74 |
| | Total | | 839.15 | | 1,033.86 |

Foreign Currency Sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Rs. in Lacs)

| Particulars | Currency | Change in rate | Effect on profit before tax |
|---------------------------------------|----------|----------------|-----------------------------|
| March 31, 2020 | | | |
| Based on YOY change between F19 & F20 | USD | +10% | 129.29 |
| | USD | -10% | (129.29) |
| | AUD | +10% | (7.09) |
| | AUD | -10% | 7.09 |
| | EUR | +10% | (18.46) |
| | EUR | -10% | 18.46 |
| March 31, 2019 | | | |
| Based on YOY change between F18 & F19 | USD | +10% | 223.16 |
| | USD | -10% | (223.16) |
| | AUD | +10% | (0.37) |
| | AUD | -10% | 0.37 |
| | EUR | +10% | (8.84) |
| | EUR | -10% | 8.84 |
| | JPY | +10% | (0.47) |
| | JPY | -10% | 0.47 |

b) Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(Rs. in Lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Secured : | | |
| Loans repayable taken from Banks: | | |
| Rupee Loans | 12,565.19 | 10,984.21 |
| Unsecured : | | |
| Loans repayable taken from Banks & Others | | |
| Rupee Loans | 3,039.45 | 3,859.60 |
| Total | 15,604.64 | 14,843.81 |

Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

| Particulars | Increase / Decrease in Basis Points | Effect on Profit Before Tax(Loss) |
|----------------------|-------------------------------------|-----------------------------------|
| As at March 31, 2020 | +100 | (156.05) |
| | -100 | 156.05 |
| As at March 31, 2019 | +100 | (148.44) |
| | -100 | 148.44 |

38 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of pump sets, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Information about Operating Segments:

| Particular | 2019-20 | 2018-19 |
|--|-------------------|------------------|
| 1. Segment Revenue | | |
| India | 38,480.96 | 52,971.13 |
| Overseas | 8,426.84 | 8,037.79 |
| Total Segment Revenue | 46,907.81 | 61,008.92 |
| Inter segment sales | (8,216.66) | (6,269.62) |
| Income from operations | 38,691.14 | 54,739.30 |
| 2. Segment Results | | |
| Profit/(loss) before finance costs, Exceptional Items & Tax | | |
| India | (1,109.97) | 6,231.62 |
| Overseas | 1,024.13 | 1,560.80 |
| Total | (85.84) | 7,792.42 |
| Less: Finance Cost | 2,079.23 | 1,780.66 |
| Profit before exceptional items & tax | (2,165.07) | 6,011.76 |
| Exceptional Items | - | - |
| Profit before Tax | (2,165.07) | 6,011.76 |
| 3. Capital Employed (Segment Assets) | | |
| India | 50,544.56 | 55,134.22 |
| Overseas | 3,517.09 | 3,205.54 |
| Total Segment Assets | 54,061.65 | 58,339.76 |
| (Segment Liabilities) | | |
| India | 27,020.26 | 28,216.56 |
| Overseas | 526.38 | 1,083.90 |
| Total Segment Liabilities | 27,546.64 | 29,300.46 |
| Net Capital Employed (Segment Assets-Segment Liabilities) | | |
| India | 23,524.30 | 26,917.66 |
| Overseas | 2,990.71 | 2,121.64 |
| Total Capital Employed | 26,515.01 | 29,039.30 |

39 ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

| Name of the entity | Net Assets | | Share in Profit or Loss | |
|--|---------------------------------|------------------|-------------------------------------|-------------------|
| | As % of consolidated Net assets | Amount | As % of consolidated Profit or Loss | Amount |
| F.Y. 2019-20 | | | | |
| a) Parent | | | | |
| Shakti Pumps India Limited | 82.93% | 21,988.31 | 148.26% | (2,086.99) |
| b) Subsidiaries | | | | |
| Indian | | | | |
| Shakti Energy Solutions Pvt. Ltd. | 5.79% | 1,535.99 | 11.36% | (159.98) |
| Foreign | | | | |
| Shakti Pumps LLC, USA | 6.99% | 1,853.65 | -41.70% | 586.98 |
| Shakti Pumps FZE, UAE | 3.80% | 1,006.97 | -20.65% | 290.69 |
| Shakti Pumps Pty Ltd., Australia | 0.34% | 90.60 | 0.54% | (7.58) |
| Shakti Pumps (Shanghai) Limited, China | 0.06% | 17.00 | 1.25% | (17.55) |
| Shakti Pumps (Bangladesh) Ltd., Bangladesh | 0.08% | 22.49 | 0.94% | (13.21) |
| c) Minority Interest | | | | |
| i) Indian | - | - | - | - |
| ii) Foreign | - | - | - | - |
| Total | 100% | 26,515.01 | 100% | (1,407.64) |



| Name of the entity | Net Assets | | Share in Profit or Loss | |
|--|---------------------------------|------------------|-------------------------------------|-----------------|
| | As % of consolidated Net assets | Amount | As % of consolidated Profit or Loss | Amount |
| F.Y. 2018-19 | | | | |
| a) Parent | | | | |
| Shakti Pumps India Limited | 87.56% | 25,425.80 | 68.97% | 3,109.02 |
| b) Subsidiaries | | | | |
| Indian | | | | |
| Shakti Energy Solutions Pvt. Ltd. | 5.14% | 1,491.85 | 0.34% | 16.79 |
| Foreign | | | | |
| Shakti Pumps LLC, USA | 4.29% | 1,244.94 | 9.01% | 406.06 |
| Shakti Pumps FZE , UAE | 2.43% | 706.94 | 20.96% | 944.56 |
| Shakti Pumps Pty Ltd., Australia | 0.34% | 98.12 | 0.37% | 16.89 |
| Shakti Pumps (Shanghai) Limited, China | 0.12% | 34.37 | 0.38% | 17.10 |
| Shakti Pumps (Bangladesh) Ltd., Bangladesh | 0.13% | 37.27 | -0.03% | (1.27) |
| c) Minority Interest | | | | |
| i) Indian | - | - | - | - |
| ii) Foreign | - | - | - | - |
| Total | 100% | 29,039.30 | 100% | 4,509.14 |

- 40 "The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. As the situation is constantly evolving, the Group has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended March 31, 2020. Management is of the view that there is significant uncertainty in the business environment which has resulted in delays in confirmations of customer orders and in executing the orders in hand and an increase in lead times in sourcing components. Based on current assessment, management is of the view that this situation is likely to continue for the next two quarters. As part of its review of the year-end balance sheet, the Group has made an assessment of recover ability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no further adjustments are required to be made to the carrying values of such assets as at March 31, 2020. In the case of Inventory held by holding company, Management has performed the year-end 'wall to wall' inventory verification at each of its locations and again at a date subsequent to the year end in the presence of its internal auditor to obtain comfort over the existence and condition of inventories as at March 31, 2020. In view of the above, the Group has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to closely monitor any material changes to future economic conditions."
- 41 Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.
- 42 Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

As per our report of even date

For PGS & Associates

ICAI Firm Registration No. : 122384W

Premal Gandhi

Partner

M.No.111592

Place : Pithampur

Date : June 29, 2020

For and on behalf of the Board of Directors of

Shakti Pumps (India) Limited

Dinesh Patidar

Chairman and Managing Director

DIN:00549552

Dinesh Patel

Chief Financial Officer

Ramesh Patidar

Executive Director

DIN:00931437

Ravi Patidar

Company Secretary

M. No. ACS 32328

CORPORATE INFORMATION

Board of Directors

| | |
|---------------------------------|----------------------------|
| 1. Mr. Dinesh Patidar | Managing Director |
| 2. Mr. Sunil Patidar | Whole Time Director |
| 3. Mr. Ramesh Patidar | Whole Time Director |
| 4. Mr. Navin Sunderlal Patwa | Independent Director |
| 5. Mr. Pramod Kumar Bhawsar | Independent Director |
| 6. Mrs. Nishtha Neema | Woman Independent Director |
| 7. Mr. Keyur Bipinchandra Taker | Independent Director |
| 8. Mr. Sridhar Narayan | Nominee Director |

Company Secretary & Compliance Officer

Mr. Ravi Patidar

Chief Financial Officer

Mr. Dinesh Patel

Statutory Auditor

M/s PGS & Associates, Mumbai

Secretarial Auditor

M/s. M. Maheshwari & Associates, Indore

Cost Auditor

M/s. M.P. Turakhia & Associates

Indore

Bankers

Axis Bank
HDFC Bank
ICICI Bank
Union Bank of India

Registrar and Transfer Agent

Adroit Corporate Services Pvt. Ltd.
17-20, Jafferbhoy Ind. Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai 400059
Tel: +91 (0) 22 42270400
Email:- sandeeps@adroitcorporate.com

Registered Address Office & Work

Plot no. 401, 402 & 413 Sector III
Industrial Area Pithampur -Dist. Dhar
M.P.-454774.
Tel. no: +91- 7292-410500
Fax no.:-+91-7292-410645
Email: - cs@shaktipumpsindia.com,
Web:-www.shaktipumps.com



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CIN: L29120MP1995PLC009327
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Pithampur Dist. Dhar (M.P.) - 454774
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